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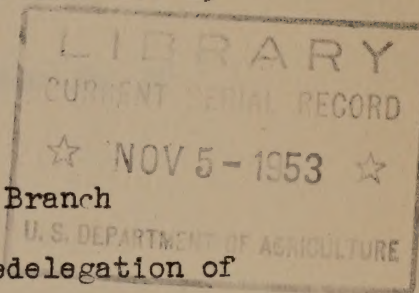
UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.
May 8, 1952

1952 PEANUT MEMO NO. 15

To: Chairman, State PMA Committee
Peanut-Producing States

From: George L. Prichard, Director, Fats and Oils Branch

Subject: 1952 Peanut Marketing Quota Regulations - Redelega-
tion of Authority by State Committee



Enclosed are several copies of the marketing quota regulations for the 1952 crop of peanuts. A full supply of the regulations will be forwarded to you within the next two weeks.

Section 729.369 of the regulations provides that any authority delegated to the State committee by the regulations may be redelegated by the State committee. Under this provision any function delegated to the State committee by the Secretary in the regulations may be assigned by the State committee to any member of the State committee, the county committee or any member thereof, or any employee of the State or county office.

Section 3(a) of the Administrative Procedure Act requires all delegations of final authority to be published in the Federal Register. If any of the functions delegated to the State committee by the regulations are to be redelegated to any of the persons referred to above or to the county committee, it will be necessary that the fact that such a redelegation has been made be published in the Federal Register. You are, therefore, requested to determine at the next meeting of the State committee which of the functions, if any, are to be redelegated and to forward to this office a report showing the Section of the regulations which contains the function to be redelegated and the person to whom such function has been assigned. If none of the functions delegated to the State committee are to be redelegated, your report should so indicate. In order that the redelegations in all States may be published in the Federal Register prior to the beginning of the 1952 marketing season, the report should be mailed as soon as possible after the meeting of the State committee.

This report has been approved by the PMA Reports Committee and assigned Control Number FO-43R.

George L. Prichard

Enclosures

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF PLANT INDUSTRY
WASHINGTON, D. C.
May 8, 1932

1932 PLANT INDUSTRY NO. 10

Director, State Tax Commission
Portland, Oregon

George I. Richmond, Director, State and Civil Service

Subject: 1932 Plant Industry State Registration - Information as
Authorized by State Committee

Enclosed are several copies of the registration guide containing the
1932 form of registration. A full supply of the registration will be furnished
to you within the next few weeks.

Section 1507 of the registration law provides that any person who
is the State committee by the registration may be included in the State
committee. This law provides any person who is included in the State
committee by the law may be included in the registration by the State
committee to any member of the State committee, the person included in any
member included in any member of the State committee.

Section 1508 of the registration law provides that any person who
is the State committee by the registration may be included in the State
committee. This law provides any person who is included in the State
committee by the law may be included in the registration by the State
committee to any member of the State committee, the person included in any
member included in any member of the State committee.

This report has been approved by the State Registration Committee and
Control Number 10-17.

George I. Richmond

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.
May 9, 1952

1952 Peanut Memo No. 16

To: Chairman, State PMA Committee
Peanut Producing States

From: George L. Prichard, Director
Fats and Oils Branch

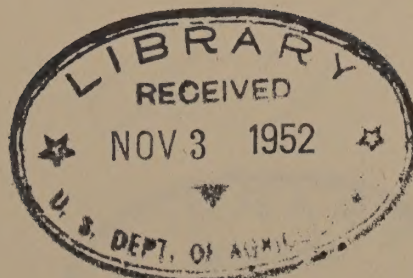
Subject: Tentative Peanut Marketing Quota
Violation Instructions

Enclosed are copies of tentative peanut marketing quota violation instructions.

Please review these instructions and notify me by May 23 of any changes that you consider desirable. Your recommendations will be taken into consideration prior to submitting the instructions for approval.

George L. Prichard

Enclosures



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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.
May 9, 1952

1952 Peanut Memo No. 17

To: Chairman, State PMA Committee
Peanut Producing States

From: George L. Prichard, Director
Fats and Oils Branch

Subject: 1952 Peanut Marketing Quota Instructions

Enclosed are several copies of the following instructions:

<u>Instruction No.</u>	<u>Title</u>
1026 (Peanuts-52) -2	Marketing Quota Instructions for County Offices - Peanuts of the 1952 Crop
1026 (Peanuts-52) -3	Marketing Quota Instructions for State Offices - Peanuts of the 1952 Crop
1026 (Peanuts-52) -4	Instructions for Persons Who Buy or Otherwise Acquire Peanuts of the 1952 Crop

A full supply of these instructions will be forwarded to you
within the next two weeks.

George L. Prichard

Enclosures



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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration

1952 Peanut Memo No. 18

May 9, 1952

To: PMA State Chairmen, Peanut Producing States

Virginia-Carolina Peanut Association, Inc., Suffolk, Va.
Southeastern Peanut Association, Americus, Georgia
Southwestern Peanut Shellers Association, Durant, Oklahoma

Manager, GFA Peanut Association, Camila, Ga.
Manager, Southwestern Peanut Growers' Association, Gorman, Tex.
Manager, Growers Peanut Cooperative, Inc., Franklin, Va.

Director, PMA Commodity Office, Dallas, Texas
Director, PMA Commodity Office, New Orleans, Louisiana

Farm Organizations

From: George L. Prichard, Director, Fats and Oils Branch

Subject: Request for recommendations with regard to the detailed operating provisions of the 1952 Peanut Price Support Program

Attached is a tentative warehouse contract to be used by the cooperative associations in contracting for warehouse space, a tentative contract for use when individual farmers obtain a loan on the basis of a warehouse receipt, a proposed warehouse criteria, warehouse examination report and warehouse receipts to be used under the 1952 peanut program, and a table showing the deduction that would be made from the support under each method of support.

We have held meetings on this subject in each of the major peanut producing areas with representatives of the State PMA committees, PMA field office personnel and State PMA office personnel, employees and boards of directors of the cooperative associations, representatives of farm organizations, sheller organizations, warehousemen and others with respect to the details of the program. Only a few definite recommendations were received at these meetings.

Please let us have your written recommendations not later than Wednesday, May 21, together with any supporting data you may have. If you have any questions regarding any provisions of the attached material, I suggest you call Mr. Akers.

We plan to complete these contracts and have them available not later than June 15.

We call your attention particularly to the following items.

1. In past meetings we requested recommendations for warehouse in and out charges and monthly storage rates. No recommendations were given at these meetings. In the material mailed out earlier we have included recommendations of some individuals.

The in and out charges given in the warehouse contract total the same as under last years contract. That is, \$3.50 for bulk and \$4.00 for bagged peanuts (the purchase and weighing fee of \$1.25 per ton is eliminated but the amount has been divided between the in and out charges). The per month storage fee is increased from 35¢ to 50¢ per ton. There will probably be a slightly higher bonding requirement under the 1952 program and the warehouseman or the cooperative will be required to insure the peanuts.

2. Warehouse tolerance. This year for the first time since 1948 and also for the first time since Federal State Inspection has been required under the program, the warehousemen is required to guarantee the grade of peanuts delivered out. We did receive comments and recommendations with respect to this item. They were (a) Warehousemen should not be required to guarantee grade since the Federal State Inspection Service and not the warehousemen would do the grading. (b) 5 point tolerance in grade (c) 5% dollar value of tolerance plus the difference in the moisture content "in" as compared with the moisture content "out" on the peanuts placed in the warehouse, with such dollar tolerance to be graduated as the foreign material content in the peanuts increased, and (d) 2 point tolerance. There were variations and modifications of the tolerances suggested above.

The attached contracts provide for issuing warehouse receipts to individual farmers for purchase agreements and producer loans with the weight adjusted to 7% moisture basis, 8% in the Virginia-Carolina area, with 4 percent on a dollar value basis for all types and grades of peanuts. We received a recommendation that the tolerance be increased as the foreign material increases.

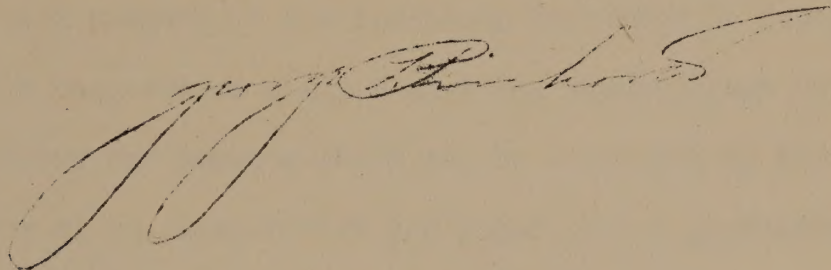
No separate provision has been made in tolerance in extra large shelled kernels in the case of Virginia type peanuts. We would appreciate recommendations on this item.

We have had some indication that the shrinkage in the extra large shelled kernels amounted to more than shrinkage in sound mature kernels. However the data we have with respect to the warehousing operations in 1948, (the last year for which any appreciable quantity of Virginia type peanuts were warehoused by CCC) shows very little difference in extra large kernel content of peanuts "in" and "out" of warehouses.

In the area meetings it was suggested that the maturity date on the producer loans and cooperative loans be a month earlier than is provided in the tentative contract. The reason for leaving the date at May 31 is that it has been the policy of the Department to let producers have the entire marketing year to market out of the loan. The primary reason given for wanting the maturity date advanced one month was that the fear of weevil damage might cause warehousemen to be reluctant to enter into contracts with CCC or the cooperative if they are required to guarantee out grades including any damage as a result of insect infestation. This should not be a problem as the tentative contract provides a means whereby the warehousemen can protect himself should such a condition arise.

It is now contemplated that no farm stored loans or individual producer loan will be made on the basis of the "over planted acreage agreement."

The exhibit pertaining to prices is attached in order to illustrate the deductions that will be made from the support price. You will note that these prices are for purposes of illustration only and were arrived at by taking last years prices and adding \$8.84 for each type. These type prices are in no way a commitment as to type differentials for 1952. As you know, we are holding a meeting on May 26 to discuss relative price support by types and we will not make any decision on this question until after this meeting.

A large, stylized handwritten signature in dark ink, likely belonging to a government official, is written across the lower half of the page. The signature is fluid and cursive, with a prominent initial 'J' or 'G'.

Tentative
For Discussion Purposes Only

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PEANUT RECEIVING AND WAREHOUSE AGREEMENT

COOPERATIVE

This Agreement, made and entered into this ____ day of _____, 19 __, by and between _____, of _____, hereinafter referred to as the "cooperative"), and _____, a _____, with principal place (Individual, Partnership, Corporation) of business at _____, (hereinafter referred to as the "warehouseman.")

WHEREAS, the warehouseman represents that he owns or operates warehouses with adequate facilities for receiving, handling, storing, and loading out farmers stock peanuts at the locations described in Section 1, and

WHEREAS, the cooperative desires that the warehouseman serve as receiver and depository for peanuts which may be delivered to the warehouseman by members of the cooperative and other peanut producers;

NOW THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. Receiving Point(s). Unless otherwise authorized by the cooperative, the warehouseman shall receive peanuts hereunder only at the following receiving points:

_____	_____
_____	_____
_____	_____

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2. PERIOD OF OPERATION AND DUTIES - During the period beginning on the date of execution of this agreement and ending on June 30, 1953, the warehouseman shall, upon the terms and conditions hereinafter specified and up to the capacity available for the storage of the peanuts, receive, store, and load out all peanuts subject to the terms of this agreement, except that no such peanuts shall be received from producers on behalf of the cooperative after January 31, 1953.

3. PEANUTS COVERED BY THIS AGREEMENT. - All peanuts received by the warehouseman for the account of the cooperative must meet the eligibility requirements contained in the 1952 CCC Peanut Bulletin, 721(Peanuts 1952) -1, (attached hereto as Exhibit A) and any amendments and supplements thereto, and no peanuts shall be received for the account of the cooperative from any person unless such person is the producer of the peanuts as defined in Exhibit A.

4. Grading.

(a) Ingrade - The percentages of sound mature kernels, damaged kernels, other kernels, foreign material, moisture, and extra large kernels in the case of Virginia type peanuts, in each lot of farmers stock peanuts received by the warehouseman for the account of the cooperative, shall upon the delivery of such peanuts to the warehouseman be determined by Federal-State inspection and shall be used in determining the pounds net weight and the quantity to be on the warehouse receipt to be issued to the producer.

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- (b) Outgrade - The grade of peanuts when loaded out in accordance with section 8, hereof, shall be determined by Federal-State inspection.
- (c) Grading fees. - All fees for grading shall be paid by the cooperative.
- (d) Right of appeal. - Any determination of grade shall be subject to a right of appeal to the Federal-State Inspection Service by the producer, the warehouseman or the cooperative.

5. DRAFTS AND WAREHOUSE RECEIPTS - The Warehouseman agrees that, upon delivery of a lot of peanuts received under this contract, he will issue to the producer a draft drawn on the cooperative in the amount of the "dollar value in" of the peanuts.

The warehouseman also agrees that for peanuts containing 3% or less damage at the time they are received into the warehouse, he will issue to the cooperative a non-negotiable warehouse receipt, in a form approved by the cooperative, containing the warehouseman's guarantee to deliver a quantity of the same type of peanuts containing 15% or less foreign material, 3% or less damage, and 9% or less moisture in the Southeastern and Southwestern areas (10% or less moisture in the Virginia-Carolina area) for which the "dollar value out" is not less than 96% of the "dollar value in".

6. AUTHORIZED OFFICERS AND EMPLOYEES. The warehouseman shall furnish to the cooperative specimen signatures of officers and employees who are authorized to execute documents required by this contract, indicating specifically the particular documents which each officer is authorized to execute.

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Tentative

For Discussion Purposes Only

7. STORAGE OF PEANUTS FOR THE ACCOUNT OF THE COOPERATIVE.

- (a) Suitable Storage. The warehouseman shall, subject to the terms and conditions hereinafter specified, (i) provide identity preserved storage in a separate warehouse or warehouses for all peanuts which are received hereunder; (ii) not store any other peanuts in said warehouse or warehouses; (iii) store the peanuts in accordance with good commercial practices; (iv) take such action as may be necessary or as the cooperative may direct to keep such peanuts in good condition without cost to the cooperative (other than the charges specified in section 10 hereof). The warehouseman shall provide, in all warehouses in which such peanuts are stored, a space for ingress and egress sufficiently large to permit inspection of such peanuts. The warehouseman shall keep the premises, including buildings, reasonably clear and free from debris, trash, weeds or other inflammable materials and shall not store any product in warehouses or on the premises adjacent thereto which will increase fire hazards.
- (b) Commingling Prohibited. All peanuts received hereunder shall be stored separately from, and shall not be commingled or mixed with any other peanuts. The warehouseman shall mark, in a conspicuous place with appropriate signs and in such manner as may be specified or approved by the cooperative, the buildings, piles and bins in

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which the peanuts received hereunder are stored, so as to give public notice that such peanuts are held for the cooperative's account.

- (c) Segregation The warehouseman shall store all peanuts received for the account of the cooperative separately by type, and each type of peanuts containing 3% or less damaged kernels shall be stored separately from peanuts containing more than 3% damaged kernels.
- (d) Liability for Loss or Damage. The warehouseman shall be liable for any loss of or damage to peanuts which is due to the fault, negligence or failure of the warehouseman to comply with any of the provisions of this contract.

8. PEANUTS ORDERED LOADED OUT BY THE COOPERATIVE. Whenever instructed by the cooperative the warehouseman shall promptly load out and ship, in accordance with the cooperative's instructions, all or any part of the peanuts stored for the account of the cooperative. The cooperative, in ordering peanuts loaded out, shall specify the type and damage segregation of the peanuts to be loaded out. In the event the warehouseman for any reason fails to load out peanuts pursuant to the cooperative's instruction at a rate reasonably commensurate with its facilities, the cooperative shall have the right to enter upon the premises where such peanuts are stored and load them out at the expense of the warehouseman.

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For Discussion Purposes Only

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9. SETTLEMENT WITH RESPECT TO PEANUTS LOADED OUT

- (a) If, after all the peanuts in the warehouse(s) have been delivered pursuant to instructions from the cooperative, the "dollar value out" of all the peanuts delivered in satisfaction of all the warehouse receipts is less than the amount guaranteed on all such receipts, the warehouseman shall pay to the cooperative an amount determined as follows:
- (1) Determine the difference between the total amount guaranteed on all the warehouse receipts and the total of the "dollar value out" on all such receipts.
 - (2) Divide the amount obtained in (1) by the average support price per pound of the peanuts received, as described on the warehouse receipts.
 - (3) Multiply the quantity obtained in (2) by the market price per pound as determined by the cooperative.
- (b) The warehouseman shall have no claim nor interest in any peanuts remaining in the warehouse(s) used for the storage of peanuts for the account of the cooperative after delivery, in accordance with the cooperative's instructions, of the quantities of peanuts specified in the warehouse receipts representing such peanuts, and any such peanuts remaining in such warehouse(s) shall be subject to delivery to the cooperative upon demand.

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10. Charges. The Cooperative shall pay to the warehouseman the following charges for peanuts handled and stored hereunder:

	For Bulk Peanuts	For Peanuts in Bags
	Per Ton	Per Ton
(a) Handling charges in (including weighing)	\$ 1.75	\$2.00
(b) Handling charges out	1.75	2.00
(c) Storage		

(50¢ per ton per month storage is used in the tentative Agreement for RMA Warehouses where warehouse receipts will be issued to individual farmers. Cooperatives may prefer to obtain blanket bonds and insurance policies and adjust the per month storage rate accordingly.)

In determining the storage charges hereunder, the "first-in, first-out" rule shall be followed, unless another method is approved by the Cooperative i.e., the peanuts loaded out shall be deemed to be the peanuts longest in store for the account of the cooperative of the type and damage segregation from which the peanuts are loaded out, as evidenced by the date of purchase shown on the purchase records prescribed by the Cooperative. The storage month shall begin on the first day of storage as evidenced by the date shown on the warehouse receipts or other records of the warehousemen and shall run to, but not include, the corresponding day of the next calendar month, with additional months measured accordingly. The charges specified above shall be based upon gross outweights and no storage charges shall be payable after the expiration of the 15-day period next succeeding the receipt of shipping instructions from the Cooperative. In the event that any peanuts stored hereunder are destroyed, the charges specified in (a),

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(b) and (d) of this section and accruing up to the date

of such destruction shall be paid to the warehouseman for the quantity of peanuts so destroyed unless such destruction is attributable to the fault or negligence or the failure of the warehouseman to discharge the obligations imposed by this contract. The charges herein provided for shall be payable

by the cooperative upon the submission by the warehouseman and approval by the Cooperative of invoices in such form as the Cooperative may prescribe.

11. Reports. The warehouseman shall furnish such information and shall make such reports as the Cooperative may request.

12. Books and Records. The warehouseman shall keep in form satisfactory to the Cooperatives complete and accurate books, records, and accounts for all transactions relating to peanuts received hereunder, including the names and addresses of the producers of such peanuts, the quantities received and the type grade, weight and extra large Virginia shelled content of each lot of peanuts. If the warehouseman is engaged in the business of purchasing peanuts for his own account, separate records of such transactions shall be kept. All books, records, and accounts of the warehouseman shall, including records of purchases by the warehouseman for his own account at all times be open to audit and inspection by authorized representatives of the cooperative. Such books, accounts and records shall be retained through December 31, 1954.

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13. ~~Inspection~~
13. INSPECTION. Authorized representatives of the cooperative may, at any reasonable time, enter the premises of the warehouseman where peanuts are being stored for the purpose of inspecting such premises and peanuts.
14. BOND. The warehouseman shall furnish the cooperative such bonds, conditioned upon the faithful performance by the warehouseman of its obligations under this contract, as the cooperative may prescribe.
15. INSURANCE It is further mutually understood and agreed that the cooperative shall procure and supply for itself as beneficiary any or all insurance coverage under one or more general policies on the peanuts stored under this agreement and it is mutually understood and agreed that in computing the charges due the warehouseman for storage under Section 10 hereof, there shall be deducted from the Warehouseman's storage tariff a flat rate in cents per ton per month equal to the insurance premium now applicable or which hereafter may be made applicable to peanuts in the warehouse or location where peanuts are stored under this agreement which flat rate shall be based upon the regular annual rate, on a monthly prorata cancellation basis for said location or locations, published by the _____ Underwriters Association and based upon market value or the purchase price of the peanuts plus all accrued charges including warehouse charges, interest, and shrinkage, whichever is greater.

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Note: Appropriate change will be made if cooperative does not insure peanuts.

16. EXPIRATION: TERMINATION OF CONTRACT. This contract shall be effective from the date of execution. It may be terminated by the cooperative or the warehouseman giving the other 30 days written notice of intention to terminate. Notwithstanding any other provisions hereof, the cooperative, may, by written notice to the warehouseman, at any time revoke or limit the warehouseman's authority to receive peanuts for the account of the cooperative. Notwithstanding such expiration or termination of the contract or revocation or limitation of authority to purchase, the provisions of this contract shall continue in full force and effect with respect to any peanuts stored by the warehouseman for the account of cooperative. prior to such termination, revocation, or limitation. Nothing contained in this paragraph shall be construed to prevent the termination by the cooperative of this contract at any time for violation of the provisions hereof.
17. ASSIGNMENT. Neither this contract nor any claims or payments arising hereunder shall be assigned in whole or in part by the warehouseman without the prior written approval of the cooperative, and any such assignment shall be in such form as may be approved or prescribed by the cooperative.

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18. DEFINITIONS. For purposes of this agreement, the following terms shall be construed to mean, respectively,

- (a) Receiving. Receiving and unloading a lot of peanuts covered by this agreement from trucks, railroad cars, or other conveyances, and storing in the warehouse.
- (b) Loading out. Loading out of the warehouse f.o.b. cars or trucks.
- (c) Dollar value in. The dollar value of any lot of peanuts at the time of receipt in the warehouse, such value to be computed on the basis of the grade of the lot determined by Federal-State inspection and the price support schedule (exhibit B attached).
- (d) Dollar value out. The dollar value of the peanuts loaded out of the warehouse for the cooperative in satisfaction of a warehouse receipt, such value to be computed on the basis of the grade determined by Federal-State inspection and the price support schedule (exhibit B attached), except that--
 - (1) If the percentage of foreign material in the peanuts loaded out exceeds the percentage of foreign material in the peanuts received into the warehouse--
 - (i) by 1%, the per ton rate of discount for foreign material shall be \$1.00 above that used in determining the "dollar value in";
 - (ii) by 2%, the per ton rate of discount for foreign material shall be \$2.00 above that used in

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determining the "dollar value in"; or

- (iii) by more than 2%, the per ton rate of discount for foreign material shall be the sum of (1) the per ton rate of discount for foreign material used in determining the "dollar value in," (2) \$2.00, and (3) either (a) \$1.00 for each 1% increase in foreign material over 2% if the actual foreign material in the peanuts loaded out is 10% or less or (b) \$2.00 for each 1% increase in foreign material over 2% if the actual foreign material in the peanuts loaded out is 11% or more; and

- (2) If the percentage of damaged kernels in the peanuts loaded out exceeds the percentage of damaged kernels in the peanuts received into the warehouse, the per ton discount for the percentage increase in damaged kernels shall be made at the following rates, regardless of the percentage of damaged kernels at the time the peanuts were received:

<u>Percentage increase in damaged kernels</u>	<u>Discount in dollars per ton</u>
Increase of 1 percent	\$3.30
Increase of 2 percent	6.60
Increase of 3 percent	13.20
Increase of 4 percent	30.00
Increase of 5 percent	50.00
Increase of 6 percent	80.00
Increase of 7 percent	120.00

H/ARH

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For Discussion Purposes Only

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Signed at _____ this
_____ day of _____ 19____.

By _____
(manager)

Firm _____
(warehouseman)

By _____

Tentative
For Discussion Purposes Only
May 9, 1952

PEANUT STORAGE AGREEMENT
FOR FMA WAREHOUSES

1. This Agreement, made and entered into this ____ day of _____
19 __, by and between Commodity Credit Corporation, (hereinafter referred
to as CCC), and _____, a _____
(Individual, Partnership,
_____) with principal place of business at _____
Corporation)
(hereinafter referred to as the "warehouseman").

WITNESSETH:

2. WHEREAS, the warehouseman represents that he owns or operates a
warehouse located at _____ (street address) in the
city of _____, county of _____,
and the State of _____, and known as _____,
and that such warehouse (hereinafter referred to as "warehouse"), has
adequate facilities for receiving, handling, storing, and loading out
farmers stock peanuts and

3. WHEREAS, CCC desires that the warehouse and facilities be made
available with respect to peanuts which may be eligible for price support
and defined in paragraph 6 of this agreement as "peanuts subject to the
terms of this agreement":

4. NOW THEREFORE, in consideration of the premises, the parties
hereto covenant and agree as follows:

5. PERIOD OF OPERATION AND DUTIES - During the period beginning
on the date of execution of this agreement and ending on June 30, 1953,

Tentative
For Discussion Purposes Only
May 9, 1952

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the warehouseman shall, upon the terms and conditions hereinafter specified and up to the capacity available for the storage of the peanuts, receive, store, and load out all peanuts subject to the terms of this agreement, except that no such peanuts shall be received from producers after January 31, 1953.

6. DEFINITIONS. For purposes of this agreement, the following terms shall be construed to mean, respectively,

(a) Peanuts subject to the terms of this agreement -

Merchantable farmers stock peanuts accepted and stored by the warehouseman, containing 15% or less foreign material and 3% or less damaged kernels, for which the type and grade are determined by the Federal-State inspection service at the time the peanuts are received into the warehouse, and represented by a warehouse receipt described in paragraph 8 of this agreement, such peanuts being either (1) owned by or in the possession of CCC or any other agency of the United States under general supervision of the Secretary of Agriculture, or in the possession of any lending agency in connection with a loan made available by CCC, or (2) deposited for storage in the warehouse by a producer who may desire to deliver them to CCC under a price support "Purchase Agreement" or use them as collateral security for a loan made or made available by CCC, the terms of this agreement being applicable to such peanuts as of the date of deposit by the producer.^{1/}

(b) Receiving - Receiving and unloading a lot of peanuts

subject to the terms of this agreement from trucks, railroad cars, or

^{1/} It was recommended by the Southwestern area in recent meetings that the warehouse contract specify an upper limit for moisture at the time the peanuts are received.

other conveyances, and storing in the warehouse.

(c) Loading out - Loading out of the warehouse f.o.b. cars or trucks.

(d) Lot - That quantity of peanuts for which one Federal-State inspection certificate is issued.

(e) Dollar value in - The dollar value at the time of receipt in the warehouse, of any lot of peanuts subject to the terms of this agreement or any other lot of peanuts which are stored commingled pursuant to paragraph 7, such value to be determined on the basis of the grade of the lot determined by Federal-State inspection and the price support schedule (exhibit B attached).

(f) Dollar value out-means the dollar value of the peanuts loaded out of the warehouse for CCC in satisfaction of a warehouse receipt, such value to be determined on the basis of the grade determined by Federal-State inspection and the price support schedule (exhibit B attached);

except that (1) if the percentage of foreign material in the peanuts loaded out exceeds the percentage of foreign material in the peanuts received into the warehouse by 1%, the per ton rate of discount for foreign material shall be \$1.00 above that used in determining the "dollar value in"; (2) if the percentage of foreign material in the peanuts loaded out exceeds the percentage of foreign material in the peanuts received into the warehouse by 2%, the per ton rate of discount for foreign material shall be \$2.00 above that used in determining the "dollar value in"; and (3) if the percentage of foreign material in the peanuts loaded out exceeds the percentage of foreign material in the peanuts received into the warehouse by more than 2%, the per ton rate of discount for foreign material shall be the sum of (a) the per ton rate of discount for foreign material used in determining the "dollar value in" (b) \$2.00 and (c) either (i) \$1.00 for each 1% increase in foreign material over 2% if the actual foreign material in the peanuts loaded out is 10% or less or (ii) \$2.00 for each 1% increase in foreign material over 2% if the actual foreign material in the peanuts loaded out is 11% or more.

(g) Southeastern area - The States of Alabama, Georgia, Mississippi, Florida, and that part of South Carolina south and west of the Santee, Congaree and Broad Rivers.

(h) Southwestern area - The States of Texas, Oklahoma, Arizona, Arkansas, California, New Mexico, and Louisiana.

(i) Virginia-Carolina area - The States of Virginia, North Carolina, Tennessee, Missouri, and that part of South Carolina north and east of the Santee, Congaree, and Broad Rivers.

(j) County Committee - The persons elected within a county, pursuant to regulations governing Production and Marketing Administration county and community committees published in the Federal Register of September 29, 1949, (14 F.R.5916), who are generally responsible for carrying out in the county the agricultural programs administered through the Production and Marketing Administration.

(k) State committee - The persons designated as the State committee of the Production and Marketing Administration, charged with the responsibility of administering Production and Marketing Administration programs within the State.

(l) PMA Commodity Office - The Office so designated as of the date of approval of this agreement, and any Office or Agency which may succeed to the functions of such Office.

(m) Farmers stock peanuts - Picked and threshed peanuts which were produced in the continental United States during the calendar year 1952 and which have not been shelled, crushed, cleaned (except for removal of foreign material), or otherwise changed from the state in which picked or threshed peanuts are marketed by producers.

7. BASIS ON WHICH PEANUTS ARE STORED OR HANDLED - (a) All peanuts of one type subject to the terms of this agreement stored in the warehouse may be stored commingled with all other peanuts of the same type containing 15% or less foreign material and 3% or less damaged kernels, which were inspected by Federal-State inspection service at the time of delivery to the warehouse and for which a warehouse receipt described in paragraph 8 has been issued. All such commingled peanuts shall be stored separately by type and segregated from all other peanuts in the warehouse, and the responsibility of the warehouseman shall be as if stored commingled by type, unless CCC has specifically authorized in writing that all or any quantity of the peanuts subject to the terms of this agreement, be stored identity preserved, in which event the warehouse receipt must be plainly marked in a manner satisfactory to CCC that the peanuts are stored identity preserved.

(b) In case the peanuts are stored on an identity preserved basis, they shall be stored in bags, in special piles, or in bulk in special bins and in such manner that the actual peanuts deposited, and no other, may be delivered to the lawful holder of the warehouse receipt and the warehouse receipt shall be plainly marked in a manner satisfactory to CCC that the peanuts are stored on an identity preserved basis.

8. WAREHOUSE RECEIPTS - (a) For each lot of peanuts received by the warehouseman for storage on a commingled basis pursuant to the provisions of paragraph 7, the warehouseman shall, upon receipt of the peanuts, issue to the producer, agency, or other person entitled thereto, a negotiable warehouse receipt on CCC Form _____ (Exhibit A attached), and shall indicate thereon the type of peanuts, the gross inweight, the net inweight, and the dollar value in, determined in accordance with paragraph 10.

Such receipt shall also contain the warehouseman's guarantee to deliver a quantity of the same type of peanuts containing 15% or less foreign material, 3% or less damage, and 9% or less moisture in the Southeastern and Southwestern areas (10% or less moisture in the Virginia-Carolina area) for which the dollar value out is not less than 96% of the "dollar value in."

(b) Upon receipt of a lot of peanuts received by the warehouseman for storage on an identity preserved basis, the warehouseman shall issue a negotiable warehouse receipt to the producer, agency, or other person entitled thereto in the manner prescribed in (a) above except that such receipt shall be plainly marked to indicate storage identity preserved, and receipts not so marked shall, for purposes of this agreement, be considered as covering peanuts commingled pursuant to the provisions of paragraph 7.

9. DETERMINATION OF TYPE AND GRADE. The Federal-State Inspection Service shall determine the type (Runner, Spanish, Valencia, or Virginia) and the percentages of sound mature kernels, damaged kernels, other kernels, foreign material, moisture, and extra large kernels in Virginia type peanuts.

of each lot of peanuts subject to the terms of this agreement received into the warehouse, of all other peanuts stored commingled with the peanuts subject to the terms of this agreement, and of each lot of peanuts loaded out for CCC. The type and grade so determined shall be used in determining the pounds net weight and the dollar value of such peanuts for the purposes of this agreement. Any determination of grade shall be subject to a right of appeal to the Federal-State Inspection Service by the producer, the warehouseman, or CCC pursuant to regulations issued by the Secretary of Agriculture.

10. DETERMINATION OF GROSS AND NET INWEIGHTS AND DOLLAR VALUE IN.

The warehouseman shall determine the pounds gross inweight and net inweight, and the "dollar value in" of each lot of peanuts subject to the terms of this agreement received into the warehouse and of all other peanuts which may be stored commingled pursuant to paragraph 7.

The warehouseman's determinations of gross and net inweights and "dollar value in" are subject to correction of errors by the PMA County Office, CCC, or a lending agency if the peanuts represented by a warehouse receipt are placed under loan or purchase agreement or are delivered to CCC.

(a) Gross weight - The pounds gross weight of each lot of peanuts shall be determined on approved scales. In most instances the scales will be approved under the supervision of the State, and CCC will, at the time the warehouse is approved, specify the scales which may be used.

(b) Net weight - The net weight of a lot of peanuts is the gross weight of the lot, excluding foreign material, and excess moisture. Excess moisture is that percentage of moisture shown

on the Federal-State inspection memorandum for the lot which is in excess of 7% in the Southeast and Southwest Areas, or in excess of 8% in the Virginia-Carolina area.

The net weight of any such lot of peanuts shall be determined as follows: (1) Deduct from the gross weight the pounds of foreign material; (2) Multiply the result obtained in (1) by the percentage of excess moisture; (3) Subtract the result obtained in (2) from that obtained in (1).

11. OBLIGATIONS IN MAINTAINING STOCKS IN WAREHOUSE-- (a) The warehouseman shall, subject to the terms and conditions herein specified, provide storage approved by CCC for all peanuts which are stored hereunder; store the peanuts in accordance with good commercial practices; take such action as may be necessary or as CCC may direct to keep such peanuts in good condition without cost to CCC other than charges specified in paragraph 16 hereof.

(b) The warehouseman shall provide an adequate space for ingress and egress in the warehouse, shall keep the premises reasonably clear and free from debris, trash, weeds or other inflammable materials, and shall not store any product in the warehouse or on the premises adjacent thereto which will increase fire hazards.

(c) The warehouseman shall keep all the peanuts stored in the warehouse under the provisions of paragraph 7 in store in the warehouse described in this agreement. He shall store all the peanuts which are identity preserved so as to maintain at all times the identity of each lot. With respect to all other peanuts, he shall at all times maintain in the warehouse a stock of peanuts of the type and grade described in the outstanding warehouse receipts sufficient to deliver from the warehouse the peanuts so described.

12. RESPONSIBILITY FOR CONDITIONING OF PEANUTS - The warehouseman, at his own expense, (1) shall take all necessary steps to keep all of the peanuts which are stored in the warehouse, whether commingled or identity preserved, from going out of condition, and (2) shall condition any such peanuts which are out of condition or in danger of becoming so, to the extent that the warehouse is equipped to do so. If, after the exercise of such care in receiving, storing, and conditioning of such peanuts as a reasonably prudent owner thereof would exercise, it is determined by an inspection at the expense of the warehouseman (such inspection to be performed by the County Committee unless otherwise agreed by CCC and the warehouseman) that deterioration cannot be prevented by conditioning, the warehouseman shall immediately notify CCC in writing of such fact if the warehouse receipts held by CCC are the oldest outstanding receipts representing the commingled peanuts which are out of condition or in danger of becoming so, or if such peanuts are stored identity preserved, and thereafter the warehouseman shall dispose of or care for such peanuts at the expense of and in accordance with the directions of CCC. Unless the warehouseman fails to exercise due care or fails to comply with the directions of CCC, he shall be liable for deterioration in the quality of such peanuts which are determined to be out of condition or in danger of becoming so, only until the date such inspection is performed or the date he notifies CCC, whichever is later.

13. REQUIREMENTS FOR PEANUTS LOADED OUT - (a) Upon the surrender by CCC or its agent of a warehouse receipt representing peanuts subject to the terms of this agreement which are stored commingled, the

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warehouseman shall load out merchantable farmers stock peanuts of the same type containing 15% or less foreign material, 3% or less damage, and 9% or less moisture in the Southeastern and Southwestern areas (10% or less moisture in the Virginia-Carolina area).

(b) Upon the surrender of warehouse receipts representing peanuts subject to the terms of this agreement which are stored identity preserved, the warehouseman shall load out or deliver the identical peanuts received.

14. SETTLEMENT FOR DEFICIENCIES IN PEANUTS LOADED OUT. Settlement shall be made with respect to each warehouse receipt for which there is a deficiency in delivery out of the warehouse to CCC (except that if CCC or its agent surrenders two or more warehouse receipts with one delivery order, one settlement shall be made for the entire order, and in computing the amount due CCC for the deficiency, the "dollar value out" of the peanuts delivered shall be applied against the total of the amounts guaranteed on all such warehouse receipts).

(a) If the "dollar value out" of commingled peanuts loaded out for CCC is less than the amount guaranteed on the warehouse receipt, the warehouseman shall reimburse CCC for the deficiency in an amount determined as follows:

- (1) Determine the difference between the amount guaranteed on the warehouse receipt and the "dollar value out."
- (2) Divide the amount obtained in (1) by the support price per pound of the peanuts received, as described on the warehouse receipt.

- (3) Multiply the quantity obtained in (2) by the market price per pound, as determined by CCC.

(b) In making settlement for the delivery of peanuts which are stored identity preserved, the warehouseman shall be liable for any shortage in weight or deficiency in quality only in the event such shortage results from his failure to use due care or his failure to provide appropriate warehousing services. If the warehouseman is liable for the shortage, he shall reimburse CCC for the deficiency in an amount determined as follows:

- (1) Determine the difference between the "dollar value in" of the peanuts for which the warehouse receipt was issued and the dollar value of the same peanuts when loaded out, computed on the basis of the price support schedule (exhibit B attached).
- (2) Divide the amount obtained in (1) by the support price per pound on which the "dollar value in" was computed.
- (3) Multiply the quantity obtained in (2) by the market price per pound at the time the peanuts are loaded out.

(c) If CCC determines that the shortage was due to conversion, theft, or fraud by the warehouseman, he shall pay CCC for the deficiency in an amount computed on the basis of the highest market price, as determined by CCC, between the date the peanuts were received into the warehouse for storage and the date of demand by CCC for payment. This provision shall not affect any further rights of CCC or the United States under any applicable statute or otherwise.

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(15. SETTLEMENT FOR OVERDELIVERIES - If the "dollar value out" of commingled peanuts loaded out for CCC exceeds the amount guaranteed on the warehouse receipt, CCC shall pay the warehouseman the amount of the difference up to and including the amount of the "dollar value in."

16. CHARGES AND PERIODS IN WHICH APPLICABLE - Charges for services under this agreement shall be at the following rates:

	Per Ton	
	<u>For Bulk Peanuts</u>	<u>For Bagged Peanuts</u>
(a) Handling charges in (including weighing)	\$ 1.75	\$ 2.00
(b) Handling charges out	1.75	2.00
(c) Storage, including conditioning and insurance per month	0.50	0.50

The period for which these charges shall apply shall begin with the date each lot of peanuts is deposited in the warehouse. The storage months shall run from that date to, but not including, the corresponding day of the next calendar month, with additional months measured accordingly. The charges specified above shall be based upon gross weights and no storage charges shall be payable beyond the last date for storage under this agreement determined as follows:

(a) In the event peanuts are shipped by CCC, or an authorized agent on behalf of CCC, storage charges shall cease upon the date specific instructions are issued by or on behalf of CCC, or the date shipment is accepted by the carrier whichever is earlier, unless a delay is occasioned by circumstances beyond the control of the warehouseman.

(b) In the event warehouse receipts are sold or transferred to any person not entitled to the benefits of this agreement, charges under

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this agreement shall cease on the date of transfer. CCC or its agent shall notify the warehouseman of the date of transfer and shall affix to the warehouse receipts prior to transfer a statement showing the period for which the rates hereunder are applicable, or the period to which the warehouse charges have been paid, and the warehouseman shall not charge for services rendered during that period an amount in excess of that computed in accordance with the rates in effect hereunder during that period. In the event of loss or damage to the peanuts from insurable causes, all accrued charges at the rates prescribed herein and otherwise payable with respect to the peanuts lost or damaged shall be paid up to and cease as of the date of loss or damage.

The warehouseman represents and warrants that the fees provided for in this section are not in excess of any applicable maximum warehouse charges established under Federal Law. The charges to be paid for services performed by the warehouseman shall be the lower of the fees provided for in this section or the applicable maximum warehouse charges in effect when such services are performed. By submitting each invoice for charges, the warehouseman shall be deemed to have warranted that the charges specified in such invoice are not in excess of such applicable maximum warehouse charges. Fees payable to the warehouseman under this section are subject to review by CCC in the event the Office of Price Stabilization grants an increase in maximum warehouse charges for peanuts, but without any commitment by CCC that any increase in such fees will be made except in the event and to the extent that CCC may determine that an increase is justified.

17. PAYMENT OF WAREHOUSE CHARGES -

(a) With respect to peanuts acquired by CCC under the price support program and represented by warehouse receipts in the possession of CCC on the maturity date or dates specified in the 1952 peanut price support bulletin (Exhibit C attached), CCC shall, as of such date or dates, and upon presentation of proper invoice by the warehouseman, pay all charges due and unpaid thereon; and shall, for such peanuts remaining in store after the maturity date or dates specified in the 1952 peanut price support bulletin, upon presentation of proper invoice by the warehouseman, pay all charges due and unpaid thereon on a storage month basis up to the termination period for any lot of peanuts (i.e. when peanuts are loaded out, lost, damaged, or sold or transferred in storage).

(b) With respect to peanuts owned by CCC and stored under the terms of this agreement, CCC shall, upon presentation of proper invoice by the warehouseman, pay all charges due and unpaid, on a storage month basis, up to the termination of the storage period for any lot of peanuts, unless the warehouse receipts are transferred with warehouse charges for the account of the purchaser.

(18) INSURANCE - Without in any way limiting his obligation under the other provisions of this agreement, the warehouseman shall insure and at all times keep insured, in his own name, all peanuts stored commingled, for the benefit of the holders of warehouse receipts, against loss or damage by fire, lightning, inherent explosion, windstorm, cyclone, and tornado, for the full market value of the peanuts. The warehouseman shall not be required to carry insurance covering identity preserved peanuts;

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however, any indemnity paid by the warehouseman or the producer shall inure to the benefit of CCC to the extent of its interest, after first satisfying the producer's equity in the peanuts involved in the loss.

OFFICERS

19. AUTHORIZED/ OFFICERS AND EMPLOYEES - The warehouseman shall furnish to CCC specimen signatures of officers and employees who are authorized to execute documents required by this agreement, indicating specifically the particular documents which each officer or employee is authorized to execute.

20. REPORTS - The warehouseman shall furnish such information and shall make such reports as CCC may request.

21. BOOKS AND RECORDS - The warehouseman shall keep in form satisfactory to CCC, complete and accurate books, records, and accounts for all transactions relating to peanuts subject to the terms of this agreement and all other peanuts stored commingled pursuant to the provisions of paragraph 7. The books, records, and accounts of the warehouseman regarding such transactions shall at all times be open to audit and inspection by authorized representatives of CCC. Such books, accounts and records shall be retained through December 31, 1954.

22. INSPECTION - Authorized representatives of CCC may, at any reasonable time, enter the premises of the warehouseman for the purpose of inspecting such premises and peanuts stored.

23. BOND - The warehouseman shall furnish CCC such bonds to the extent of 15% of the capacity of the warehouse, conditioned upon the faithful performance by the warehouseman of his obligations under this agreement, as CCC may prescribe.

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24. EXPIRATION: TERMINATION OF AGREEMENT - This agreement shall be effective from the date of execution. It may be terminated by CCC or the warehouseman giving the other 30 days written notice of intention to terminate. Nothing contained in this paragraph shall be construed to prevent the termination by CCC of this agreement at any time for violation of the provisions hereof.

25. ASSIGNMENT - Neither this agreement nor any claims or payments arising hereunder shall be assigned in whole or in part by the warehouseman without the prior written approval of CCC and any such assignment shall be in such form as may be approved or prescribed by CCC.

26. BENEFITS - No Member of or Delegate to the Congress of the United States shall be admitted to any share or part of this agreement or to any benefits to arise herefrom, but this provision shall not be construed to extend to benefits arising from this agreement if accruing to a corporation, nor shall this provision be construed to prohibit the purchase from, or store for a Member of or Delegate to the Congress of peanuts produced by him.

27. ANTI-DISCRIMINATION - The warehouseman, in the performance of this agreement shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin.

28. DELEGATION - Any act, approval, direction, or determination provided in this agreement to be made by CCC may, without prior approval of the warehouseman, be delegated by CCC to any agent, representative, or agency to act in its place and stead or for its account.

29. DESCRIPTIVE HEADINGS - The descriptive headings of the various sections hereof were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

30. EXECUTION - This agreement shall be executed by duly authorized representatives of ~~COO~~ and the warehouseman, and shall not be amended or superseded except by written agreement executed in the same manner as this agreement.

COMMODITY CREDIT CORPORATION

By _____

Date _____

(Title)

(Warehouseman)

In the presence of _____

By _____

(Title)

Form F&O
5-20-52

U. S. Department of Agriculture
Production & Marketing Adm.

Consecutive
Number _____
Date _____

UNIFORM WAREHOUSE RECEIPT
NEGOTIABLE

City _____
State _____

Name and Street Address of Firm Issuing Receipt

This is to certify that we have received in Storage Warehouse Building
known as _____ for the account of

(Name)

(Address)

the following described peanuts to be delivered on demand of the holder hereof
subject to the terms and conditions on the reverse hereof.

Variety ()
Check One Runner () Spanish () Virginia () Valencia ()

FARMERS STOCK
With the following grade factors

GROSS INWEIGHT _____ lbs.
(Excluding Vehicle)

S.M.K. _____ %
Moisture _____ %
Foreign Material _____ %
Damaged _____ %
Extra Large _____ %
Other Kernels _____ %

Excess Moisture _____ lbs.
Foreign Material _____ lbs.
Less Total Deduction _____ lbs.
Net Inweight _____ lbs.
Value Per Ton \$ _____
Value at time of
Deposit \$ _____

The above described peanuts are stored

Commingled () Identity Preserved ()

In Bulk () Bags () Number of bags _____

Storage Rate per ton per month
or fraction thereof \$ _____

Firm _____
By _____

UNIFORM WAREHOUSE RECEIPT -- NEGOTIABLE

1. The warehouseman agrees to deliver the peanuts described on this warehouse receipt to the depositor or his designated agent.
2. The warehouseman shall be liable to the holder of this warehouse receipt for damages caused by the nonexistence of the peanuts or by knowingly misrepresenting the grading factors at the time of issue.
3. The warehouseman shall be liable for any loss or injury to the peanuts caused by his failure to exercise reasonable or prudent care.
4. The warehouseman agrees to deliver a quantity of peanuts if stored on a commingled basis of the type shown on the reverse hereof containing fifteen (15) percent or less foreign material, three (3) percent or less damage, and nine (9) percent or less moisture (except that in the Virginia-Carolina area the moisture may be ten (10) percent or less) for which the dollar value based on Price Support Schedule is not less than ninety-six (96) percent of the value in.

UNIFORM WAREHOUSE RECEIPT

Date _____
City _____
State _____

NON -- NEGOTIABLE

Name and Street Address of Firm Issuing Receipt

This is to certify that we have received in Storage Warehouse Building
known as _____ for the account
of _____
(Name) (Address)

the following described peanuts to be delivered to the above depositor on demand subject to the terms and conditions on the reverse hereof.

Variety _____
 Check One: Runner ☒ Spanish ☒ Virginia ☒ Valencia ☒

FARMERS STOCK		SPECIMEN		GROSS INWEIGHT		lbs.
with the following grade factors						
S.M.K.	_____	%	:	Excess moisture	_____	lbs.
Moisture	_____	%	:	Foreign Material	_____	lbs.
Foreign Material	_____	%	:	Total Deduction	_____	lbs.
Damaged Kernels	_____	%	:			
Other Kernels	_____	%	:	NET INWEIGHT _____ lbs.		
Extra Large	_____	%	:	Value on Deposit \$ _____		

The above described peanuts are stored; Commingled ☒ Identity Preserved ☒

In Bulk ☐ Bags ☐ Number of bags _____

Storage Rate per ton per month
or fraction thereof \$ _____

Firm _____

By _____

TERMS AND CONDITIONS

1. The warehouseman agrees to deliver the peanuts described on this warehouse receipt to the depositor or his designated agent.
2. The warehouseman shall be liable to the holder of this warehouse receipt for damages caused by the nonexistence of the peanuts or by knowingly misrepresenting the grading factors at the time of issue.
3. The warehouseman shall be liable for any loss or injury to the peanuts caused by his failure to exercise reasonable or prudent care.
4. The warehouseman agrees to deliver all peanuts in any lot stored on an identity-preserved basis.
5. The warehouseman agrees to deliver a quantity of peanuts if stored on a commingled basis of the type shown on the reverse hereof; containing fifteen (15) percent or less foreign material, three (3) percent or less damage, and nine (9) percent or less moisture (except that in the Virginia-Carolina area the moisture may be ten (10) percent or less), for which the dollar value any time within one year from the date of this receipt is not less than ninety-six (96) percent of the value in.

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MINIMUM STANDARDS FOR WAREHOUSES STORING

PEANUTS UNDER CCC WAREHOUSING AGREEMENTS

1. Building and Yard. - The warehouses must be so constructed as to afford full protection from pilferage, rodents and the elements. The warehouse and warehouse yard is to be kept clean at all times. No trash, leaves, torn bags, paper, waste material or debris of any kind shall be allowed to accumulate in any part of the warehouse or warehouse yard. All weeds and grass must be cut and removed from the area immediately surrounding the warehouse. The cleared area must be sufficient to afford protection against fire emanating from brush fire or other sources. It has been found that harrowing the cleared area thoroughly, not only reduces the fire hazard, but also improves the general appearance of the premises.
2. Buildings having floors that are at or close to ground level must be properly protected by ditches or levees adequate to prevent any entry of ground water. All doors, windows, skylights and other openings, must at all times be kept in good condition and closed when not in use. Roofs shall be of sound leakproof material and maintained in good condition. All doors must be equipped with standard locks. Floors may be of concrete, wood, black top, or any other material from which peanuts will not absorb moisture. Facilities with open sides or ends and or facilities having dirt floors will not be approved for storage, except under the circumstances and conditions set forth below:
3. Consideration of open-sided structures or those with dirt floors will be given emergency approval for temporary use only and only in those localities where owing to program demands storage facilities must be obtained and there are none available meeting our requirements. In the case of such emergency approval, a certification as to the lack of adequate facilities and the urgent need for storage space in that particular locality must be secured from the approving agency. Furthermore, where dirt floors exist in an emergency approved warehouse and, in the case of any other warehouse flooring which would permit moisture to reach the peanuts, the warehouseman shall state in his application for approval of his facilities the type of dunnage that he intends to use to protect the commodity and indicate the quantity or thickness of the dunnage coverage. Its use, as stated by the warehouseman, shall be a factor given consideration by the PMA Commodity Office or, if the Association (Cooperative) is the approving agency, by the Association in connection with the approval or disapproval of the facility.

4. Open Sides Bagged Peanuts Only - Where under such emergency approval the structure has open sides, fencing wire or hog wire, not lighter than 12 gauge, shall be applied to the open space between the eaves of the roof and the floor of the building. The peanuts must be stacked a sufficient distance from the wire sides so that rain will not blow in on the bags.
5. Dunnage for Bagged Peanuts - In those warehouses where good dunnage is required and it is contemplated that dunnage will be placed and removed as loading and unloading progresses, the following method of using dunnage will be acceptable: 2" x 4" lumber to be placed on the floor with the 2" sides down and not farther apart than 36 inches and one inch boards to be secured thereto. The one inch boards may be spaced not farther apart than 4 inches. In those cases where hand trucks or fork lift trucks are required to handle the bags, the one inch boards may not be placed farther apart than 3/4 of an inch.
6. Scales - The scales to be used in weighing peanuts should be located in or adjacent to the warehouse and under the control of the warehouseman. Minimum use will be made of those warehouses that do not have scales in or adjacent to the facility. Before approval may be granted any warehouse the operator thereof must show the most recent certificate issued by the proper authorities that the scales to be used have been inspected and certified to be accurate in accordance with the State Laws. No certificate older than six months will be accepted. In those cases where the warehouse scales will not accommodate the trucks or trailers receiving peanuts the scales nearest the warehouse and in same direction that the peanuts are destined will be used. In those instances where the weighing of the peanuts delivered cannot be accomplished at warehouse the weighing will be performed under the direct supervision of a representative of the agency responsible for the loading out. Representatives of Commodity Credit Corporation and of the Peanut Association shall have the right and privilege during business hours to inspect the scales being used.
7. Stacking - Peanuts in bags shall be stacked in such a manner as to afford easy access thereto for inspection, sampling, ventilation and aeration purposes. At least 30 inches space must be maintained between the top of the stack and the ceiling or sprinkler-head.
8. Railroad Sidings - A railroad siding adjacent to the warehouse is highly desirable, however, it is not a prerequisite to approval. In those cases where a choice is to be had of warehouses, meeting other requirements, those with railroad sidings should be given preference.

9. Other Materials - Warehouses storing commodities or materials such as fertilizer, fertilizer material, onions, or any other commodities having a pungent acrid odor will not be approved if it is proposed that such commodities or material are to be stored in the same room or compartment wherein peanuts are stored.
10. Fire Protection - Fire protection equipment must be provided so as to comply with the minimum standards of the Fire Underwriters Association. The minimum standards of the Underwriters Association are -
 "One 2½ gallon Soda Acid Extinguisher, or one 50-gallon Water Cask equipped with two pails for each 2,500 square feet of nonsprinkled store space. Facilities having automatic sprinkler systems should also be equipped with one 2½ gallon Soda Acid Extinguisher or one 50-gallon Water Cask equipped with two pails for each 5,000 square feet of store space."
Warehouses proposing to store commodities or materials of a more inflammable or hazardous nature than peanuts in the same building where peanuts are stored will not be used. The Water Casks shall be kept filled and inspected at least once in every two weeks. Casks found to leak shall be replaced with casks in good order. The pails to be used in case of fire shall not be used for any other purpose and must not be removed from the location of the Water Cask. The instructions on the Soda-Acid Extinguishers regarding re-charge and inspection must be followed and a statement attached to each extinguisher showing the date it was last re-charged. Broken glass in windows and skylights must be replaced promptly. Flat roofs shall be inspected bi-weekly. No leaves, twigs or trash of any nature shall be allowed to accumulate thereon. The Warehouseman shall be instructed that he must maintain in good condition the fire equipment mentioned above that is applicable to his type of warehouse. He shall also make the periodic inspection mentioned herein.
11. Watchman Service. Except when work is being performed in the warehouse, the building must be kept securely locked. Watchman Service is not mandatory in all cases, but is highly desirable. The locality and hazards immediately surrounding the warehouse and its capacity will be the determining factors as to whether watchman service shall be required.
12. Flood Warehouses subject to flood damage will not be used. However, if flooded in the past and they have subsequently been afforded adequate protection, they will be given consideration.
13. Tenure of Occupancy Warehouses operating on a lease basis should have a lease for one year. When it is impossible to obtain necessary space on a one year lease a shorter lease may be acceptable but in no case less than six months.

WAREHOUSE INSPECTION REPORT

1. Name of Applicant _____
Street Address _____
2. Town _____ County _____ State _____
3. Name of Warehouse _____
Street Address _____
4. Town _____ County _____ State _____
5. Name of person in charge of warehouse _____
Number of years peanut warehousing experience _____
6. Type of warehouse construction? (Brick, Wood, Metal, etc.) _____
_____ age _____
 - (a) Condition, Excellent, Good, Fair, Poor. _____
 - (b) Distance, ground level to first floor _____ ft. _____ in.
 - (c) If floor is at or ground level, describe precaution taken to prevent entry of ground water _____

 - (d) Are precautions adequate? _____ If answer is "NO" what further steps should be taken _____
 - (e) Inside dimensions: Length _____ width _____ Height _____
 - (f) Estimated Capacity _____ Short tons.
7. Show material of which constructed and condition of each of the following:
Foundation _____ Doors and frames _____
Floors _____ Sash & frames _____
Roof _____ Skylight _____
If floor is of concrete, determine, if possible, and state whether laid directly on dirt, cinders or crushed stone _____
8. If the roof leaks, or any of the skylight, doors or windows are in bad condition, specify here and make detailed report under "Remarks."

9. How is warehouse ventilated? _____

10. (a) Are scales in or adjacent to warehouse? _____
(b) Are scales under control of warehouseman _____
(c) When were scales tested, date _____
(d) Name and title of person testing scales _____
(e) Do scales appear to be in good condition _____ If answer
is "NO" give details as to condition _____

If answer in (a) and/or (b) above is "NO" give details as to location
and show who has control of the scales.

11. Is warehouse served by a railroad siding? _____

12. Are means of ingress and egress for trucks and trailers adequate?

13. Does warehouseman propose to store any material or commodities other
than peanuts _____. If answer is "YES" what other materials
or commodities are to be stored? _____

14. Show insurance rate, Building _____ Contents _____

15. Is warehouse equipped with automatic sprinkler system _____
(a) Does warehouse have city fire protection? _____
(b) Number of soda-acid fire extinguishers in warehouse _____
(c) Number of 50 gallon water casks in warehouse _____
(d) Is each water cask equipped with two pails? _____
(e) Are water casks kept filled? _____

16. (a) What is the general appearance of warehouse? _____

Warehouse yard? _____

(b) Is there any accumulation of leaves, paper, twigs, or any other
inflammable material in the warehouse? _____

Warehouse yard? _____

(c) What is the approximate size of the area around the warehouse
that has been cleared of weeds and grass? _____

(d) If any conditions exist that you believe should be corrected
before approval, report under remarks.

17. (a) Does warehouseman maintain watchman service? _____
(b) Is warehouse in a locality having city police or town watchman
service? _____
(c) Can all doors, windows or other openings large enough to permit
the removal of peanuts be securely locked? _____, note any
exceptions. _____
(d) If there are any circumstances or conditions which you believe
make watchman service necessary, submit details under "Remarks."

18. Has warehouse been inundated in past?_____. If answer is "YES" state what precautions have been taken to prevent a recurrence of flood damage _____
19. Specify any outstanding desirable or undesirable features in connection with this warehouse_____
20. Has warehouse been approved for storage of CCC-owned in the past?_____
21. What equipment, other than scales, is available at warehouse for handling of peanuts?_____
22. If warehouse is leased to the operator, when does lease expire?_____
23. Do you recommend approval of warehouse?_____

Use separate report
for each building

Signature and title

Remarks:
(if needed add sheet)

Peanuts: Illustration of Loan Deductions Based on 1951 Average
Price Support Increased by \$8.84 1/ per ton for Each Type

Item	: :Virginia:	: :Runner:	:Southeast: :Spanish:	:Southwest :Spanish:
1. 1951 Support Price per average ton - Average Grade	\$244.00	\$218.51	\$238.11	\$226.47
2. Increased by	<u>8.84</u>	<u>8.84</u>	<u>8.84</u>	<u>8.84</u>
3. Total (Items 1 / 2) <u>2/</u>	252.84	227.35	246.95	235.31
4. Deduction for storage <u>3/</u>	3.50	3.50	3.50	3.50
5. Service fees	.15	.15	.15	.15
6. Federal-State Inspection fee <u>4/</u>	1.50	1.50	1.50	1.50
7. Deduction for shrink in weight and grade <u>5/</u>	<u>10.11</u>	<u>9.09</u>	<u>9.88</u>	<u>9.41</u>
8. Total deductions (Items 4 / 5)	15.26	14.24	15.03	14.56
9. Net to Farmer (Item 3 - 6)	237.58	213.11	231.92	220.75

1/ 1952 average support price for all types of peanuts (\$239.40)
- 1951 average support price for all types of peanuts (\$230.56)
= \$8.84.

2/ In the case of peanuts delivered to CCC by producers under purchase agreements and farm stored loans and by the cooperative associations on May 31, settlement will be on the basis of the full support price (Item 3). Producers obtaining farm stored loan will be required to pay a service fee of 30¢ per ton with a \$3.00 minimum and the cost of Federal-State inspection. Producers signing a purchase agreement will pay a service fee of 15¢ per ton with a \$1.50 minimum.

3/ Storage for 7 months at 50¢ a month.

4/ Federal-State inspection fees for 1952 have not been determined; furthermore, they vary by States.

5/ Based on a shrink equivalent to 4 percent in dollar value.

Fats and Oils Branch, PMA
Program Analysis Division
May 9, 1952

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington, D. C.

May 14, 1952

1952 Peanut Memo No. 19

To: Chairman, State PMA Committee
Peanut-Producing States

From: Assistant Administrator for Production

Subject: Section IV, K, Instruction No. 1026 (Peanuts-51)-2

NOV 5 - 1953

Several States have raised a question concerning the procedure to be followed in cases where producers delivered too few or too many peanuts for oil on a 100 percent excess oil marketing card in accordance with Section IV, K, of Instruction No. 1026 (Peanuts-51)-2.

Any producer on a farm eligible for an excess oil card had the right to market his 1951 crop peanuts on an excess oil card issued in the regular manner whereby the excess portion of each lot of peanuts marketed would be either delivered for oil or marketed as penalty peanuts. As a convenience to producers, a procedure was provided that permitted the producer to market all his excess peanuts prior to marketing any of his quota peanuts; however, prior to being issued a 100 percent excess oil marketing card, the producer was required to establish to the satisfaction of the county committee the amount of the total production of peanuts on the farm. Since the producer agreed to market a specific quantity of peanuts at the oil price, there will be no adjustment made in a case where a producer delivered too many peanuts for oil because the total production established by the producer was less than the total quantity marketed.

If the total quantity of peanuts marketed on a farm is in excess of the total production established by the producer at the time he was issued a 100 percent excess oil marketing card, the producer will be required to pay marketing quota penalties. The amount of penalties to be collected from the producer shall be determined as follows:

- (1) Divide the total pounds delivered for oil by the percent excess for the farm.
- (2) Subtract the result obtained in (1) above from the total pounds marketed.
- (3) Multiply the result obtained in (2) above by the converted penalty rate for the farm.

Raul Snyder

1.956
A2P314
Cap. 2

UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.

May 16, 1952

1952 Peanut Memo No. 20

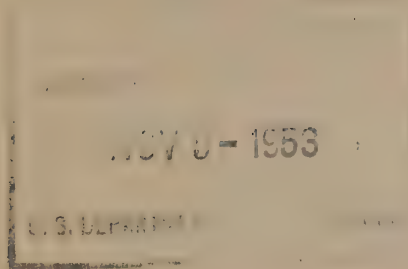
To: Chairman, State PMA Committee
Peanut Producing States

From: George L. Prichard, Director
Fats and Oils Branch

Subject: Form MQ-96, Letter of Transmittal and Receipt

We have been advised by the distribution people here in the Department that a supply of Form MQ-96 is in storage in the General Services Administration Warehouses.

Please order the quantity of this form that will be needed in connection with the 1952 peanut marketing quota program from the warehouse that normally supplies you with materials.



George L. Prichard

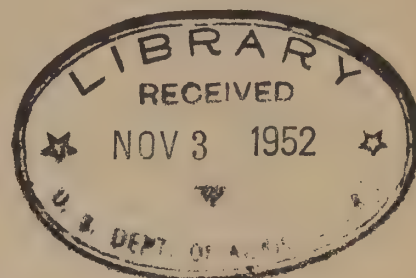
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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.

Fats and Oils Branch

1952 Peanut Memo No. 21

May 16, 1952



To: State PMA Committee Chairmen
Peanut Producing States

Peanut Cooperatives

From: George L. Prichard, Director

Subject: Meeting to discuss 1952 peanut Program

In connection with the meeting in Washington on May 26 for the purpose of giving interested groups and areas an opportunity to discuss and make recommendations on the price support levels by types for 1952 crop peanuts, we have assembled and reproduced three tables which may be of assistance to you in preparing for this meeting.

The first table shows the yearly average prices received by farmers for each type of peanut from the 1931 through 1951 crop years. The second table shows yearly average prices received for milled edible peanuts by type and grade for the same period. The last table shows information on the level of support by type for the past eight years and includes the base grade support, the premiums and discounts for each one percent sound mature kernels above and below base grade, and premiums for extra large Virginia type peanuts.

We would appreciate your bringing these tables with you to the May 26 meeting.

Attachments

A large, stylized handwritten signature in dark ink, likely belonging to George L. Prichard, the Director mentioned in the letter.



PEANUTS: AVERAGE PRICE PER POUND TO GROWERS BY TYPE
CROP YEARS 1931-1951

CROP YEAR	VIRGINIA	RUNNERS	SOUTHEAST SPANISH	SOUTHWEST SPANISH
	Cents	Cents	Cents	Cents
1931	1.500	1.900	1.200	1.400
1932	1.625	1.100	1.600	1.300
1933	3.125	2.200	2.600	2.600
1934	3.625	3.300	3.900	3.300
1935	3.375	2.600	3.000	2.800
1936	4.125	3.100	3.600	3.700
1937	3.375	2.600	2.900	3.000
1938	3.375	2.500	3.000	2.900
1939	3.375	2.500	3.100	3.200
1940	¹ /3.965	2.900	3.400	3.100
1941	6.250	5.100	6.000	4.500
1942	8.200	7.200	8.000	7.400
1943	7.600	6.800	7.400	6.800
1944	8.700	7.600	8.400	8.200
1945	8.000	7.800	8.600	8.300
1946	10.400	8.400	9.400	8.400
1947	10.900	9.600	10.500	9.900
1948	10.800	10.300	10.900	10.600
1949	12.000	10.000	10.800	10.200
1950	² /13.000	10.000	11.100	10.500
1951 ³ /	12.700	9.800	10.800	10.700

Source: Agricultural Statistics, BAE (For 1931 through 1950),
and Fruit and Vegetable Branch, PMA (for 1951)

- ¹/ Adjusted from published figure due to apparently incorrect price.
²/ Revised from published figure, F & V Branch.
³/ Preliminary

Fats and Oils Branch
Program Analysis Division
May 15, 1952

Peanuts: Base Grade Support Prices and Premiums and Discounts, by Types, Crops of 1944 to 1951,

Inclusive

Item and Crop Year	Southeast: Spanish :		Southwest : Spanish :		Runner :		Virginia :		Premiums for Extra Large Virginias :	
	Base Grade Support	1/	160.00	160.00	145.00	4/	160.00	1.50 per ton for each full 5% in excess of 10%		
1944			160.00	160.00	145.00	4/	160.00	1.50 per ton for each full 5% in excess of 10%		
1945			160.00	160.00	145.00	4/	160.00	1.50 per ton for each full 5% in excess of 10%		
1946			2/174.00	3/172.00	157.00		170.00	.30 per ton for each full 1%		
1947			2/203.00	3/201.00	185.00		196.00	.30 per ton for each full 1%		
1948			2/215.00	3/210.00	195.00		207.00	.50 per ton for each full 1% in excess of 15%		
1949			2/209.00	3/204.00	187.00		199.00	.50 per ton for each full 1% in excess of 15%		
1950			2/214.00	3/209.00	190.00		207.00	.75 per ton for each full 1% in excess of 15%		
1951			229.00	225.00	206.00		4/226.00	1.25 per ton for each full 1% in excess of 15%		

Premium or discount for each one percent sound mature kernels above or below base grade

1944	5/2.30	5/2.30	6/2.20	7/2.40
1945	5/2.30	5/2.30	6/2.20	7/2.40
1946	2.50	2.50	2.40	2.60
1947	2.90	2.90	2.80	3.00
1948	3.10	3.00	3.00	3.20
1949	3.00	2.90	2.90	3.10
1950	3.10	3.00	2.90	3.20
1951	3.30	3.20	3.20	3.50

1/ Based on 65% sound mature kernels for Virginias and Runners (and Valencias for 1944, 1945 and 1951) and 70% sound mature kernel for Southeast and Southwest Spanish (and Valencias 1946-1950).
2/ Includes Valencias, east of the Mississippi.
3/ Includes Valencias, west of the Mississippi.
4/ Includes Valencias containing less than 25% discoloration and damage. For other Valencias the support price will be the same as for Spanish of the same grade and in the same areas.
5/ \$137.00 less \$3.00 per ton below 60% S. M. K.
6/ \$136.00 less \$3.00 per ton below 55% S. M. K.

Fats and Oils Branch, PMA
Program Analysis Division
May 16, 1952

Continuation of Footnotes

4/ Under peanut price support program most No. 2's from 1948 crop were crushed into oil or exported. CCC paid the following prices for unworked No. 2's per lb.: Virginia 16 1/4, Runner 15 3/8, Spanish 15 3/4.

5/ Under peanut price support program most No. 2's from 1949 crop were crushed into oil or exported. CCC paid the following prices for unworked No. 2's per lb.: Virginia, 16 1/4, Runner 15 1/2, Spanish 15 3/4.

6/ Under peanut price support program most No. 2's from 1950 crop were crushed into oil or exported. CCC paid the following prices for unworked No. 2's per pound: Virginia 15 1/2, Runner 15 1/2, Spanish 15 3/4.

Fats and Oils Branch, PMA
Program Analysis Division
May 16, 1952

Average Price	Virginia:	Fancys	cents
			2.875
			3.250
			4.625
			6.375
			5.750
			5.750
			5.125
			5.500
			5.125
			6.125
			8.875
			14.250
			15.000
			15.100
			15.125
			17.375
			15.125
			16.000
			18.500
			16.645

16.000	ral Statist
15.875	about Nov.
15.875	s. 2/ Pric
16.500	pound on sh
16.625	owing prices

Peanuts: Yearly Average Price per Pound of Cleaned and Shelled, f.o.b. Shipping Points Crop Years 1/ 1931-50, and 1951 by Months

[illegible]

General Statistics:	BAE; (1931-1949)	Fruit and Vegetable Branch (1950-1951)	*Estimated
1. Total number of employees	1,234	1,567	1,890
2. Total number of hours worked	2,345,678	2,890,123	3,456,789
3. Total number of units produced	45,678	56,789	67,890
4. Total number of accidents	12	15	18
5. Total number of lost work days	234	256	278
6. Total number of sick days	345	367	389
7. Total number of vacation days	456	478	500
8. Total number of training hours	567	589	612
9. Total number of safety meetings	678	700	723
10. Total number of first aid treatments	789	812	834
11. Total number of lost time injuries	890	912	934
12. Total number of property losses	901	923	945
13. Total number of equipment breakdowns	1,012	1,034	1,056
14. Total number of quality control checks	1,123	1,145	1,167
15. Total number of customer complaints	1,234	1,256	1,278
16. Total number of supplier deliveries	1,345	1,367	1,389
17. Total number of inventory audits	1,456	1,478	1,500
18. Total number of financial reports	1,567	1,589	1,612
19. Total number of compliance reviews	1,678	1,700	1,723
20. Total number of environmental assessments	1,789	1,812	1,834
21. Total number of health and safety inspections	1,890	1,912	1,934
22. Total number of fire drills	1,901	1,923	1,945
23. Total number of emergency response exercises	1,012	1,034	1,056
24. Total number of security checks	1,123	1,145	1,167
25. Total number of access control logs	1,234	1,256	1,278
26. Total number of data backup operations	1,345	1,367	1,389
27. Total number of system updates	1,456	1,478	1,500
28. Total number of software licenses	1,567	1,589	1,612
29. Total number of hardware purchases	1,678	1,700	1,723
30. Total number of IT support tickets	1,789	1,812	1,834
31. Total number of network outages	1,890	1,912	1,934
32. Total number of server crashes	1,901	1,923	1,945
33. Total number of database errors	1,012	1,034	1,056
34. Total number of application bugs	1,123	1,145	1,167
35. Total number of user feedback surveys	1,234	1,256	1,278
36. Total number of product demonstrations	1,345	1,367	1,389
37. Total number of sales presentations	1,456	1,478	1,500
38. Total number of client meetings	1,567	1,589	1,612
39. Total number of contract renewals	1,678	1,700	1,723
40. Total number of new customer acquisitions	1,789	1,812	1,834
41. Total number of repeat purchases	1,890	1,912	1,934
42. Total number of customer loyalty program enrollments	1,901	1,923	1,945
43. Total number of social media followers	1,012	1,034	1,056
44. Total number of website visitors	1,123	1,145	1,167
45. Total number of email subscribers	1,234	1,256	1,278
46. Total number of newsletter sign-ups	1,345	1,367	1,389
47. Total number of webinar registrations	1,456	1,478	1,500
48. Total number of online course enrollments	1,567	1,589	1,612
49. Total number of virtual event attendees	1,678	1,700	1,723
50. Total number of physical event attendees	1,789	1,812	1,834
51. Total number of trade show booth visitors	1,890	1,912	1,934
52. Total number of conference presentations	1,901	1,923	1,945
53. Total number of industry networking opportunities	1,012	1,034	1,056
54. Total number of professional development courses	1,123	1,145	1,167
55. Total number of industry certifications	1,234	1,256	1,278
56. Total number of industry awards	1,345	1,367	1,389
57. Total number of industry publications	1,456	1,478	1,500
58. Total number of industry reports	1,567	1,589	1,612
59. Total number of industry conferences	1,678	1,700	1,723
60. Total number of industry seminars	1,789	1,812	1,834
61. Total number of industry workshops	1,890	1,912	1,934
62. Total number of industry roundtables	1,901	1,923	1,945
63. Total number of industry panel discussions	1,012	1,034	1,056
64. Total number of industry keynote speeches	1,123	1,145	1,167
65. Total number of industry networking events	1,234	1,256	1,278
66. Total number of industry social events	1,345	1,367	1,389
67. Total number of industry charity events	1,456	1,478	1,500
68. Total number of industry fundraising events	1,567	1,589	1,612
69. Total number of industry volunteer events	1,678	1,700	1,723
70. Total number of industry community events	1,789	1,812	1,834
71. Total number of industry networking groups	1,890	1,912	1,934
72. Total number of industry mentorship programs	1,901	1,923	1,945
73. Total number of industry career development programs	1,012	1,034	1,056
74. Total number of industry leadership training programs	1,123	1,145	1,167
75. Total number of industry management training programs	1,234		

about Nov. 1 in the Virginia-Carolina area, in early Sept. in the Southeastern States and in early August in the S. 2/ Prices from Oct. 1, 1934 to Jan. 6, 1936 include processing tax of 1.05 cents per pound on cleaned peanuts pound on shelled peanuts. 3/ Under peanut price support program most No. 2's from 1947 crop were crushed into oil. Following prices for unworked No. 2's per pound; Va. 15 1/4, Runner 14 3/8, Spanish 14 3/4.

(Footnotes continued)

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.

1952 Peanut Memo No. 22
May 29, 1952

To: Chairmen, State PMA Committees
Alabama Missouri
Arizona New Mexico
Arkansas North Carolina
California Oklahoma
Florida South Carolina
Georgia Tennessee
Louisiana Texas
Mississippi Virginia

From: Assistant Administrator for Production

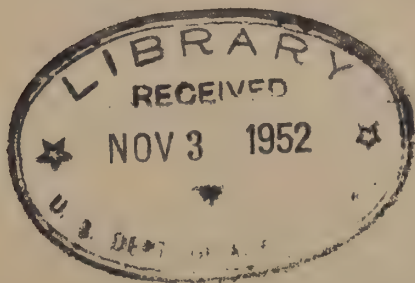
Subject: Information on Research on Peanut Storage

Attached for your information is a brief statement summarizing recent, current, and prospective research projects relating to peanut storage.

We are sending under separate cover a supply of this statement sufficient for distribution to county committees.

As a result of the change in methods of price support in 1952, problems relating to storage of peanuts are of prime importance in making the price support program effective. You are urged to give careful attention to the attached material, and we shall appreciate any comments you may have on it.

Attachment



Paul Snyder

Research on Peanut Storage

Comparatively little research has been conducted on problems of peanut storage. The following statement summarizes work recently completed, now underway, and in prospect.

It has been said that the shell is the best storage for the peanut. Apparently for this reason earlier research has been mainly with shelled peanuts, since such peanuts provided more of the problems under the existing marketing practices. Such work, nevertheless, does provide information which may be applicable with modifications to storage of farmers stock peanuts.

One study indicated that peanuts (shelled or unshelled not stated) stored at relative humidities of 80, 65, and 50 percent will have moisture contents of approximately 10, 6.5 to 8, and 4 to 6 percent, respectively, and the effect of relative humidity on fungus growth must be through the moisture content of the seed. In general, Spanish and Runner peanuts with moisture content above 9 percent and Virginia and Valencia type peanuts above 10 percent are not storable. The study cited states that peanuts with moisture content above 8 to 10 percent are not usually stored. (K. H. Garren and Coyt Wilson, "Peanut Diseases," Chapter VIII of The Peanut - The Unpredictable Legume, A Symposium, The National Fertilizer Association, Washington 1951.)

At present, USDA has only one project (RM:c-189-2) in the Fats and Oils Branch, PMA, studying the storage of farmers stock peanuts. This project seeks to develop an inventory of storage space and analysis of storage types, structure costs, other costs of storing such as insurance and taxes, and problems of conditioning peanuts in storage, both on and off the farm. Part of the work is being done under contract by three experiment stations.

Projects conducted by other agencies of USDA and several agricultural experiment stations which have implications for the storage of farmers stock peanuts include:

PMA-OES-RM:c-411 (Georgia Agric. Expt. Sta.) Improvement of cleaning and unloading methods. Publications: "Cleaning Farmers Stock Peanuts" by Elliott, Carmichael and Martin, Ga. Inst. Technol., 1950; "Machinery for Cleaning Farmers Stock Peanuts" by Elliott and Carmichael, Ga. Inst. Technol., 1951; "Some Factors Affecting Quality and Value of Farmers Stock Peanuts" by N. M. Penny, Ga. Inst. Technol., 1949.

PMA-OES-RM:c-411 (Alabama Agric. Expt. Sta.) Effects of storage (in small lots) on keeping quality of peanut seed.

BPISAE-RM:b-54-2 Curing and handling problems associated with new harvesting methods, Publication: "Peanut Harvesting and Drying Research," Bulletin No. 439, Virginia Agric. Expt. Station, 1950.

BEPQ-I-e-8 Control of white-fringed beetles and residual effects

of insecticides. Publication: "White-fringed Beetles and How to Combat Them." USDA Circular 850, August 1950.

BPISAE-b-4-6-2 Use of fungicides and insecticides for the control of diseases and insects attacking peanuts.

BEPQ-RM:c-192-4 Determination of benzene hexachloride in peanut samples. (No publication but a summary of the work has been given to representatives of peanut growers and processors.)

BHNHE-RM:c-192-5 Palatability of peanut butters affected by benzene hexachloride. Publication: "Palatability of Peanuts Grown in Rotation with Cotton Treated with Benzene Hexachloride," Bureau of Human Nutrition and Home Economics, USDA. (mimeographed) 1951.

Preliminary findings of the work under project RM:c-189-2, indicate the need for a controlled experiment with peanuts in storage in order to study the costs of storage and the reactions of different types of peanuts stored in varying types of structures and climatic conditions. It is expected that, subject to approval by the CCC Board of Directors, a storage experiment will be conducted in each of the three primary peanut areas to obtain differences in effects of the climates and peanut types of these areas together with costs of storage. Each experiment would include various types of structure and materials in sizes from approximately 6 to 12 ton capacities. The first year of observations should lead at least to tentative refinements of grade factor allowances and outturn values as now used, together with specific information to aid peanut growers in solving storage problems. It is contemplated that 1951 Virginia-type peanuts now held by CCC will provide a basis for study, and that additional data will be obtained for 1952 crop peanuts of all types and in all areas.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.
June 3, 1952

1952 PEANUT MEMO NO. 23

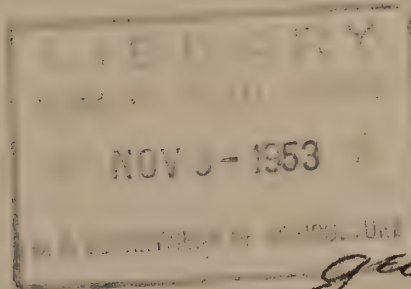
To: Chairman, State FMA Committee
Peanut-Producing States

From: George L. Prichard, Director
Fats and Oils Branch

Subject: State Committee Request for Additional Report
of Disposition of Peanuts by Operator To Be
Sent by Registered Mail

Under the peanut marketing quota regulations for 1952 and prior years, the State committee is authorized to request a farm operator to submit a report of certain data in instances where disposition of the peanut crop has not been satisfactorily accounted for by the operator. The regulations have provided that the request of the State committee shall be sent by registered mail.

It has been brought to our attention by the Office of the Solicitor that in some violation cases submitted to this Office, the State committee's request has not been sent by registered mail. In all cases in the future, please comply with the regulations by sending the request by registered mail, return receipt requested, in order that the file on any case submitted for legal action may show that the regulations have been complied with in all respects.



George Prichard

Reserve
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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.

1952 Peanut Memo No. 24

June 20, 1952

To: Chairman, State PMA Committee
Alabama Missouri
Arizona New Mexico
Arkansas North Carolina
California Oklahoma
Florida South Carolina
Georgia Tennessee
Louisiana Texas
Mississippi Virginia

From: Assistant Administrator for Production, PMA

Subject: 1952 Peanut Program

Enclosed are 5 copies of each of the following:

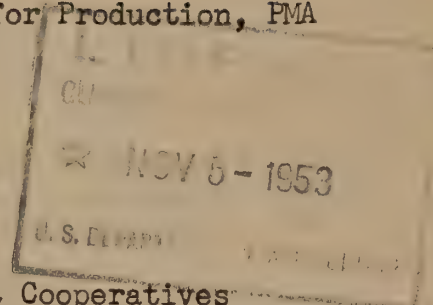
- (1) Agreement between CCC and the Peanut Cooperatives
- (2) Receiving and warehouse contract to be used by the Cooperatives
- (3) Contract to be used by PMA warehouses
- (4) 1952 Peanut Price Support Bulletin

County Office instructions for handling farm and warehouse storage loans and purchase agreements will be sent to you within the next few days.

Additional copies of the enclosed material will be sent to you when duplicated.

We request that you review this material as promptly as possible and submit any questions or suggestions to the Fats and Oils Branch.

You will note that the question of farm and warehouse storage loans for peanuts produced on farms for which an overplanted acreage agreement is approved has been reconsidered and the bulletin provides that farm and warehouse storage loans may be made under these conditions for the 1952 crop.



2-Chairman, Peanut PMA State Committees

We believe that the provisions of this program are in accordance with the views expressed at the several conferences and area meetings. You will note that provision is made for operations by the cooperatives in line with the general agreements reached at these conferences and area meetings. As anticipated in these discussions, the cooperatives will likely handle the larger part of peanuts under the 1952 Price Support Program. It is expected that the State PMA and County Committees will work closely with the cooperatives and it is pointed out that the State PMA Committees are responsible for the successful operation of this program within their respective states.

Instructions for the commodity offices and associations with respect to sales and operations under the 1952 program are being prepared and copies will be mailed to the commodity offices for review and comment.

/s/ Raub Snyder

Note:

1952 Peanut Memo No. 25	transmitted above information to	Commodity Offices
1952 Peanut Memo. No. 26	" " " "	Industry
1952 Peanut Memo No. 27	" " " "	Peanut Cooperatives

United States Department of Agriculture
Production and Marketing Administration

1952 CROP PEANUT COOPERATIVE LOAN AGREEMENT

THIS AGREEMENT, made and entered into by the Commodity Credit Corporation, Washington, D. C., a corporate agency of the United States (hereinafter called "CCC") and _____ a cooperative association of peanut producers (hereinafter called the "cooperative") with its principal place of business located at _____.

W I T N E S S E T H:

WHEREAS, CCC desires to make price support available to producers of 1952 crop peanuts through loans to the cooperative and to utilize the services of the cooperative in storing and handling peanuts for the account of CCC;

WHEREAS, the cooperative has or is in position to contract for storage facilities which it will utilize in storing and handling peanuts; and

WHEREAS, the cooperative has the administrative facilities to carry out the purposes and intents of the 1952 crop peanut price support program and to handle peanuts for the account of CCC in accordance with the terms of this agreement;

NOW THEREFORE, in consideration of these premises, the parties hereto agree as follows:

CCC agrees to make loans to the cooperative directly, or through a lending agency approved by CCC, for the purposes hereinafter set forth, maturing on May 31, 1953, or such earlier date as may be specified by CCC. The security for such loans shall be peanuts acquired by the cooperative under this agreement which are peanuts eligible for price support, as defined in 1952 CCC Peanut Bulletin 721 (Peanuts 52)-1) (hereinafter referred to as "Bulletin 721"), and any amendments and supplements thereto. Such loans shall bear interest at $3\frac{1}{2}\%$ per annum and shall be available to the cooperative for the purposes and in the amounts determined in accordance with paragraphs 1 and 2 of this agreement.

1. Loans on collateral peanuts. For the purposes of settlement, separate accounts shall be maintained for the amounts loaned to the cooperative under subparagraphs (a) and (b) below and an indemnification fee in an amount equal to 4 cents per \$100 of the loan balance shall be added at the end of each month to the principal amount of the loan indebtedness under each such account.

(a) The amount advanced to producers for eligible peanuts containing not more than 3% damaged kernels received by the cooperative under this agreement, such amount to be computed on the basis of net weight, grade as determined by the Federal-State Inspection Service and the price support schedule contained in Section 646.428 of Bulletin 721, less the deductions for service fees, inspection fees, storage and tolerances for shrinkage set forth in paragraph 6 hereof.

(b) The amount advanced to producers delivering peanuts containing more than 3% damage, such amount to be computed on the basis of net weight, grade as determined by the Federal-State Inspection Service and the price support schedule contained in Section 646.428 of Bulletin 721, less the deductions for service fees, inspection fees, storage and tolerances for shrinkage set forth in paragraph 6 hereof.

(c) The amounts necessary to cover warehousing charges, inspection fees and other direct costs incurred in connection with the peanuts received by the cooperative under this agreement, shall be added to the loans under (a) and (b) above.

2. Loan for administrative expenses. CCC shall loan to the cooperative an amount to cover administrative expenses with respect to peanuts covered by this contract, but not including expenses for other cooperative activities, to be approved by CCC on the basis of an annual estimate, submitted by the cooperative, of the amount of funds needed for this purpose. The cooperative may submit quarterly revisions of such estimate, as conditions may warrant, resulting in an increase or decrease of such maximum amount when approved by CCC. Upon the request of the cooperative, CCC will advance each month to the cooperative its requirements for administrative expenses. The loan made pursuant to this paragraph shall be paid to CCC currently from the proceeds of the sales of peanuts containing 3 percent or less damage. If, after settlement, as provided in paragraph 16 hereof, the payments applied to the loan covered by this paragraph have not liquidated the total amount advanced, including interest, the cooperative shall pay to CCC the remaining balance.

3 Collateral peanuts. Peanuts eligible to be received and handled by the cooperative and eligible for collateral for loans by CCC hereunder shall be peanuts of the 1952 crop which:

(a) Have been properly identified in accordance with the 1952 crop marketing quota regulations on a within-quota marketing card;

(b) Meet the eligibility requirements as are specified in Bulletin 721 and any amendments and supplements thereto;

(c) Have been delivered by producers to the cooperative's warehouse, which are represented by warehouse receipts in the form prescribed by CCC, and for which drafts drawn on the cooperative have been issued pursuant to paragraph 6.

(d) Are received by the cooperative on or before January 31, 1953.

4. Duties of the cooperative with respect to receiving and handling peanuts. The cooperative shall:

(a) Provide for the warehousing of peanuts with the same degree of care as would be exercised by a reasonably prudent owner of peanuts;

(b) Provide for the storage of all peanuts covered by this contract on an identity-preserved basis, and provide for segregations of peanuts in accordance with paragraph 8 hereof;

CCC Peanut Form 27

(c) Provide for Federal-State Inspection of all peanuts covered by this contract;

(d) Issue, or have issued through warehousemen under contract with the cooperative, drafts to producers drawn on the cooperative;

(e) Pay the storage charges and "handling-in" and "handling-out" charges at the rates provided in the cooperative's contracts with warehouses.

5. Contracts for warehouses. The cooperative shall enter into contracts with warehousemen on CCC Peanut Form 28, "Peanut Receiving and Warehouse Contract" for the storage and handling of peanuts under this agreement. Warehouses under such contracts shall meet the criteria specified by CCC.

6. Drafts to producers. The cooperative shall issue to producers, or shall have issued by warehousemen under contract, drafts drawn on the cooperative for peanuts delivered by such producers to the cooperative's warehouses. Each such draft shall be in an amount computed on the basis of the net weight of the peanuts at the time of receipt in the warehouse, the grade as determined by the Federal-State Inspection Service at such time, and the price support schedule contained in section 646.428 of Bulletin 721, (such amount hereinafter referred to as the "dollar value in"), less the following deductions;

(a) Shrinkage allowance computed as follows:

- (i) When the foreign material in the peanuts is 3% or less, deduct an amount equal to $4\frac{1}{2}\%$ of the "dollar value in."
- (ii) When the foreign material in the peanuts is 4%, 5%, or 6%, deduct an amount equal to 5% of the "dollar value in."
- (iii) When the foreign material in the peanuts is 7% or above, deduct an amount equal to $5\frac{1}{2}\%$ of the "dollar value in."
- (iv) For Virginia type peanuts an additional deduction shall be made in the amount of the smaller of (a) \$5.00 per net weight ton or (b) the premium for extra large kernels contained in the lot calculated on the basis of the price support schedule.

(b) Service charge. \$0.15 per gross ton

(c) Storage charges \$3.15 per gross ton

(d) Inspection fee. applicable rate per gross ton

7. Title to loan peanuts. The cooperative will not take or accept title to the peanuts delivered to it hereunder, but will act as agent for the producers with respect to such peanuts for the purpose of storing and marketing in accordance with the terms of this agreement. The cooperative, at the time of acceptance of such peanuts for storing and marketing, shall secure authority from the producers to pledge such peanuts to CCC for loans to the cooperative under this agreement.

8. Segregations. All peanuts shall be stored separately by type as follows:

Segregation No. 1 - - Peanuts with 3% or less damage

Segregation No. 2 - - Peanuts with more than 3% damage

Upon written notice, CCC may require the cooperative to provide additional segregations of peanuts containing more than 3% damage.

9. Sales and handling of peanuts by cooperative. The cooperative shall:

(a) Market peanuts in a regular and orderly manner;

(b) Unless otherwise authorized by CCC, make each sale of peanuts at prices not less than an amount computed on the basis of the price support schedule contained in Bulletin 721 and increased for the estimated shrinkage of the peanuts while in storage plus an estimated factor for:

(1) "Handling in" and "handling out" charges and Federal-State Inspection costs, and

(2) The proportionate part of the loan for administrative expense and interest.

In determining the minimum price at which the cooperative may make sales pursuant to this paragraph, the prices contained in the price support schedule shall be increased beginning January 1, 1953, by the following percentages: in January 1%; in February 3%; in March, April and May 5%.

(c) At the time a sales contract is entered into, require each purchaser to make a 100% provisional payment of the estimated value of the peanuts sold, unless a smaller provisional payment is recommended by the cooperative and approved in writing by CCC.

If CCC at any time determines that the cooperative is not marketing peanuts in sufficient quantities to satisfy the edible demand for peanuts at reasonable prices, CCC may, upon ten (10) day's written notice, (a) require the cooperative to offer such quantity of peanuts as CCC may specify and to accept all offers at levels specified at or above the minimum price specified herein, or (b) call its loan on such peanuts as it may specify.

10. Repayments to CCC.

As long as it is indebted to CCC under this agreement, the cooperative shall pay to CCC for application to the loan under paragraphs 1 and 2 hereof, the proceeds from all sales of pledged peanuts. Such sales proceeds will be applied by CCC proportionately to the principal amount of the loan and to the accrued interest thereon.

11. Distribution of profits to producers.

The cooperative shall distribute pro rata to the producers from whom it received peanuts containing three percent or less damage all net profits

from the sale of such peanuts, and to the producers from whom it received peanuts containing more than three percent damage all net profits obtained from the sale of such peanuts, unless other disposition of such profits is approved by CCC.

12. Handling peanuts for account of CCC.

(a) On the maturity date of the loan, May 31, 1953, or such earlier date as may be specified by CCC, the cooperative agrees to handle and/or market for the account of CCC, to the extent of its facilities, the following:

(1) Inventories of peanuts covered by loans under subparagraphs (a) and (b) of paragraph 1, delivered by the cooperative to CCC at the maturity date in satisfaction of such loans.

(2) Peanuts delivered to CCC through farm and warehouse storage loans and purchase agreements.

(3) Peanuts containing more than 3% damage on which the loan is called by CCC and ordered sold for CCC's account prior to the maturity date.

(b) CCC agrees to pay to the cooperative for such services a fee of \$1.00 per ton. It is understood that the services covered by this fee include inspections and determinations by the cooperative of the disposition of peanuts sold for crushing in essentially the same manner as for previous crop years.

(c) CCC will reimburse the cooperative for any expenses incurred in connection with the fumigation or moving of peanuts covered by this agreement or peanuts acquired by CCC.

13. Sales of peanuts for crushing prior to maturity date. At any time during the term of this contract, CCC may, on its own initiative or at the request of the cooperative, call the loan on peanuts, which it, in the best interests of CCC and the cooperative, deems necessary to sell for crushing. Settlement therefor shall be made at the time and as a part of the final settlement provided for in paragraph 16. The cooperative shall perform such services in connection with such sales as CCC may require.

14. Insurance. No insurance against risks of fire or extended coverage will be required on peanuts covered by this agreement, except that insurance may be required if CCC authorizes the cooperative, in writing, to store other peanuts in the same building with peanuts acquired by the cooperative under this agreement. However, if the cooperative does insure such peanuts and an indemnity is paid thereon, such indemnity shall inure to the benefit of CCC to the extent of its interest.

15. Loss or damage to the peanuts. The cooperative is responsible for any loss in weight or grade of the peanuts covered by this agreement in excess of the shrinkage allowance provided in paragraph 6 except that, subject to the provisions of paragraph 14 hereof, physical loss or damage occurring without fault or negligence on the part of the cooperative or any other person having control of the storage structures, resulting solely from an

external cause, will be assumed by CCC to the extent of the settlement value, provided the cooperative has given CCC immediate notice in writing of such loss or damage. CCC shall assume losses for insect damage occurring after the cooperative has given CCC notice in writing of the presence of insects.

16. Settlement at maturity or liquidation of the loan. If the loan is not liquidated prior to the maturity date, the cooperative shall deliver or cause to be delivered to CCC the remaining collateral peanuts in satisfaction of the loan. The weight and grade of such peanuts as of May 31, 1953, shall be determined as the peanuts are removed from storage within 60 days after May 31, 1953, or within such longer period as is agreed to between CCC and the cooperative.

CCC shall have the right and is hereby authorized, without notice to the cooperative or any producer, to place all or any part of the peanuts so delivered in any pool with any other 1952-crop peanuts of the same segregation, as specified in paragraph 8 hereof, held by CCC and, whether or not such peanuts are pooled, to sell, assign, transfer and deliver such peanuts, or documents evidencing title thereto, at such time, in such manner, for cash or upon such terms and conditions as CCC may determine, through any agency, at public or private sale, for immediate or future delivery, and without demand, advertisement, or notice of the time and place of sale or adjournment thereof, or otherwise; and upon such sale CCC may become the purchaser of the whole or any part of such peanuts, at the market price, as determined by CCC on the day of such sale. In the event that any peanuts are pooled the cooperative shall not thereafter have the right to redeem such peanuts by payment of the loan and the proceeds from the peanuts delivered by the cooperative to CCC under this section shall be the proportionate part, by weights and grades, of the proceeds realized from the sale of the pooled peanuts.

Final settlement between the cooperative and CCC shall be made after all peanuts delivered to CCC by the cooperative have been sold or disposed of by CCC and shall be made separately by the segregations specified in paragraph 8 hereof.

(a) Subject to the provisions of paragraph 15, the settlement value for each segregation of peanuts with 3% or less damage, shall be whichever of the following amounts is the larger:

(1) The total sales price or consideration received by CCC for the peanuts, less storage and handling-in and handling-out charges, and inspection fees, and the fees provided for in paragraph 12(b) hereof.

(2) An amount computed on the basis of the weighted average of the outgrades of such peanuts, as determined by the Federal-State Inspection Service, the outweights and the price support schedule contained in Bulletin 721, plus interest on such amount at the loan rate for the average period of the loan on the peanuts in such segregation as determined by CCC.

(b) Subject to the provisions of paragraph 15, the settlement value for each segregation of peanuts with more than 3% damage shall be the amount computed for such peanuts as in (a), (1) above.

The settlement value for each segregation shall be compared with the balance of the loan applicable to such segregation and the difference obtained. (a) If the settlement value is the larger, CCC shall pay said difference to the cooperative. (b) If the settlement value is the smaller, the cooperative shall pay to CCC (1) in the case of peanuts with 3% or less damage the difference as obtained above; and (2) in the case of peanuts with more than 3% damage, the total of the liability of the cooperative's warehouses for underdeliveries of peanuts in the segregation. The cooperative shall not be liable to CCC for any remaining unliquidated loan balance applicable to peanuts containing more than 3% damage.

17. Deduction for Producer's Indebtedness to U.S. Subject to any prior lien, the cooperative shall require warehousemen under contract with it to collect from the proceeds due a producer for peanuts covered by this contract any indebtedness of the producer to an agency of the United States as shown on the marketing card on which such peanuts are marketed. Such collections shall be made and remitted in accordance with the procedure issued by the cooperative and approved by CCC.

18. Records and Reports. The records of the cooperative shall at all times show with respect to peanuts, the date and place acquired, the names and addresses of the producers, the amounts advanced to such producers for such peanuts, the grades and the pounds of each such grade. The cooperative shall keep such other accounts and records and shall furnish such information and reports relating to peanuts covered by this agreement, as may be prescribed or requested by CCC. CCC may examine and audit the accounts and records of the cooperative and may require the cooperative to make all its records available at the main office of the cooperative at any time an audit is made.

19. Bond. The cooperative shall obtain a blanket position fidelity bond in a form acceptable to CCC and from a surety approved by CCC, which shall cover each and all of its employees in the amount of \$25,000.00.

20. Dealing in Peanuts. The cooperative will not, without the written consent of CCC, acquire, handle, or deal in peanuts of the 1952 crop except under and pursuant to this agreement.

21. Commingling Prohibited. Unless otherwise approved in writing by CCC, the cooperative shall require the warehouseman to provide storage in separate warehouses for all peanuts covered by this agreement and not to store any other peanuts or articles in such warehouses. The warehouseman shall be required to mark the buildings, piles and bins in which peanuts covered by this agreement are stored, in a conspicuous place, with appropriate signs and in such manner as may be specified or approved by the cooperative, so as to give public notice of the U. S. Government's interest in such peanuts.

22. Assignment. Neither this agreement nor any claims or payments arising hereunder shall be assigned in whole or in part by the cooperative without the prior written approval of CCC, and any such assignments shall be in such form as may be approved or prescribed by CCC.

23. Termination of Agreement. This agreement shall be effective as of the date of its execution and may be terminated by CCC or the cooperative giving the other thirty (30) day's written notice of its intention to terminate the agreement. Notwithstanding any other provision hereof, CCC may, at any time, by written notice to the cooperative, revoke or limit the cooperative's authority to handle and market peanuts, change the area in which the cooperative may handle and market peanuts, or change the prices to be paid. Notwithstanding such termination of the agreement or revocation or limitation of authority to handle and market, the provisions of this agreement shall continue in full force and effect with respect to any peanuts handled and marketed by the cooperative prior to such termination, revocation, or limitation. Nothing contained in this section shall be construed to prevent the termination by CCC of this agreement at any time for violation of the provisions of this agreement.

24. Interests of cooperative directors.

(a) The cooperative will, at all times, keep CCC currently informed in writing of the interests of its directors, officers, and employees in any company or firm dealing in, handling or storing peanuts other than as a producer; and for the purpose of giving CCC complete information as to the business of the cooperative, will furnish CCC all pertinent information which is currently available together with such other information as may be requested by CCC.

(b) The cooperative will inform CCC promptly in writing of any use it makes of any facility or service of any company or firm in which any director, officer, or employee of the cooperative has any ownership or financial interest, stating the facility or service used and the remuneration therefor.

(c) The cooperative will not sell or otherwise dispose of peanuts covered by this agreement in a manner that will result in a reward, financial benefit, profit or payment to any director, officer, or employee of the cooperative, except as a producer.

25. Benefits. No Member of or Delegate to the Congress of the United States shall be admitted to any share or part of this agreement or to any benefit to arise herefrom, but this provision shall not be construed to extend to benefits arising from this agreement if accruing to a corporation, nor shall this provision be construed to prohibit the handling and marketing of peanuts produced by a Member of or Delegate to the Congress.

26. Contingent Fees. The cooperative warrants that it has not employed any person to solicit or secure this agreement upon any stipulation for a commission, percentage, brokerage, or contingent fee and that no such consideration or payment has been or will be made. Breach of this warranty shall give CCC the right to annul the agreement, or, in its discretion, to charge to the account of the cooperative the amount of such commission, percentage, brokerage, or contingent fees.

27. Subrogation. CCC shall be subrogated to and may exercise any rights of the cooperative under any and all contracts entered into by the cooperative with warehousemen or others pursuant to the purposes of this agreement.

28. Delegation. Any act, approval, direction, or determination provided in this agreement to be made by CCC may, without prior approval of the cooperative, be delegated by CCC to any agent, representative, or agency to act in its place and stead for its account.

29. Anti-discrimination. The cooperative in the performance of this agreement shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin, and shall include a provision in each subcontract entered into in connection with the performance of this agreement, whereby the subcontractor agrees that he will not discriminate against any of his employees or applicants for employment because of race, creed, color or national origin.

30. Descriptive Headings. The descriptive headings of the various paragraphs hereof were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Signed, sealed and delivered at _____

day of _____

this
1952.

(Cooperative)

By _____

(Witness)

(Title)

COMMODITY CREDIT CORPORATION

By _____

(Contracting Officer)

PEANUT RECEIVING AND WAREHOUSE CONTRACT

COOPERATIVE

This Contract, made and entered into this _____ day of _____, 19____, by and between _____ of _____, (hereinafter referred to as the "cooperative"), and _____, a _____ (individual, Partnership, Corporation) business at _____, (hereinafter referred to as the "warehouseman").

WHEREAS, the warehouseman represents that he owns or operates one or more warehouses (hereinafter individually or collectively referred to as "warehouse") with adequate facilities for receiving, handling, storing, and loading out farmers stock peanuts at the locations described in Section 1, and

WHEREAS, the cooperative desires that the warehouseman handle and store peanuts which may be delivered to the warehouseman by members of the cooperative and other peanut producers, such peanuts to serve as collateral for loans made by the Commodity Credit Corporation (hereinafter called "CCC") to the cooperative;

NOW THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. WAREHOUSE - The warehouseman shall receive peanuts hereunder only at the following warehouse:

2. PERIOD OF OPERATION AND DUTIES - During the period beginning on the date of execution of this contract and ending on July 31, 1953, or such other date as may be approved by the cooperative in writing, the warehouseman shall, upon the terms and conditions hereinafter specified and up to the capacity available for the storage of peanuts, receive, handle, store, and load out all peanuts subject to the terms of this contract. Peanuts shall not be received from producers at the warehouses after January 31, 1953, except as may be authorized in writing by the cooperative.

3. PEANUTS COVERED BY THIS CONTRACT - (a) All farmers stock peanuts received by the warehouseman hereunder must meet the eligibility requirements contained in the 1952 CCC Peanut Bulletin, 721 (Peanuts-52)-1, and any amendments or supplements thereto. These eligibility requirements provide that such peanuts:

(1) must be 1952 crop quota peanuts produced by an eligible producer and offered to the cooperative for marketing on behalf of the producer and as collateral for a loan from CCC to the cooperative.

(2) must contain 15% or less foreign material, 9% or less moisture in the Southeastern and Southwestern areas and 10% or less moisture in the Virginia-Carolina area.

(3) must be identified by a within-quota marketing card in accordance with the Marketing Quota Regulations for 1952 Crop of Peanuts issued by the Secretary of Agriculture.

(4) must be free and clear of all liens and encumbrances, including landlord's liens, or if liens or encumbrances exist on the peanuts, proper waivers must be obtained.

(5) the beneficial interest in the peanuts must be in the person offering them to the cooperative, and must always have been in him or must have been in him and a former producer whom he succeeded before the peanuts were harvested.

(b) Any amendment or supplement to the 1952 CCC Peanut Bulletin, 721 (Peanuts-52)-1, will modify the liability of the warehouseman only as to the peanuts acquired subsequent to five (5) calendar days after publication of the amendment or supplement in the Federal Register. The cooperative shall notify the warehouseman of any amendment or supplement in writing.

4. DEFINITIONS - For purposes of this contract, the following terms shall be construed to mean, respectively:

(a) Lot means that quantity of peanuts for which one Federal-State inspection certificate is issued.

(b) Handling in charges means charges for receiving and unloading/into the warehouse a lot of peanuts covered by this contract from trucks, railroad cars, or other conveyances, storing such peanuts in the warehouse and issuing warehouse receipts and drafts in accordance with this contract.

(c) Handling out charges means charges for loading out of the warehouse f.o.b. cars if rail facilities are adjacent to the warehouse, or loading out from trucks, and preparing necessary documents for shipment of peanuts.

(d) Price support schedule means the schedule of prices contained in section 646.428 of the 1952 CCC Peanut Bulletin, 721 (Peanuts-52)-1.

(e) Dollar value in means the dollar value of a lot of peanuts at the time of receipt in the warehouse, such value to be computed on the basis of the net weight at such time, the price support schedule and the grade of the lot determined by the Federal-State Inspection.

(f) Other terms - other terms defined in the 1952 CCC Peanut Bulletin, 721 (Peanuts-52)-1, and used herein have the meanings assigned in such bulletin.

5. DETERMINATION OF TYPE AND GRADE - The Federal-State Inspection Service shall determine the type (Runner, Spanish, Valencia, or Virginia) and the grade (percentages of sound mature kernels, damaged kernels, other kernels, foreign material, moisture, and extra large kernels in Virginia type peanuts) of each lot of peanuts received into the warehouse, and of each lot of peanuts loaded out unless all the peanuts in the warehouse are sold on an in-grade basis. The type and grade so determined shall be used in determining the pounds net weight, "dollar value in", the "in-value" and the "out-value" for the purposes of this contract. Any determination of grade shall be subject to a right of appeal to the Federal-State Inspection Service by any person having a financial interest in the peanuts in accordance with Federal-State Inspection Service procedure.

All fees for grading peanuts accepted and stored by the warehouseman hereunder shall be paid by the cooperative.

6. DRAFTS AND WAREHOUSE RECEIPTS

(a) Drafts - The warehouseman agrees that, upon delivery by the producer of each lot of peanuts received for the cooperative under this contract, he will issue to the producer a draft drawn on the cooperative in the amount of the "dollar value in" of the peanuts less the following deductions:

(1) shrinkage computed as follows:

- (i) When foreign material is 3% or less, deduct $4\frac{1}{2}\%$ of "dollar value in."
- (ii) When foreign material is 4%, 5%, or 6%, deduct 5% of "dollar value in."
- (iii) When foreign material is 7% or above, deduct $5\frac{1}{2}\%$ of "dollar value in."
- (iv) For Virginia type peanuts an additional deduction shall be made in the amount of the smaller of
 - (a) \$5.00 per net weight ton or
 - (b) the premium for extra large kernels contained in the lot calculated on the basis of the price support schedule.

(2) service charges \$0.15 per gross ton

(3) storage \$3.15 per gross ton

(4) inspection fee applicable rate per gross ton

(b) Warehouse receipts - The warehouseman shall, at the time each lot of peanuts is received into the warehouse, issue a non-negotiable warehouse receipt to CCC in a form approved by the cooperative.

(c) The warehouseman's determinations of gross and net weights, the "dollar value in," the applicable deductions, and the amount of the draft are subject to correction of errors by or on behalf of the cooperative. However, the warehouseman is primarily responsible for any error on the warehouse receipt or draft and shall be liable for any overpayment made by the cooperative as a result of any such error.

7. AUTHORIZED OFFICERS AND EMPLOYEES - The warehouseman shall furnish to the cooperative, specimen signatures of officers and employees who are authorized to execute documents required by this contract, indicating specifically the particular documents which each officer is authorized to execute.

8. STORAGE OF PEANUTS -

(a) Accessibility and fire hazards - The warehouseman shall provide in the warehouse a space for ingress and egress sufficiently large to permit inspection of such peanuts. The warehouseman shall keep the premises, including buildings, reasonably clear and free from debris, trash, weeds or other inflammable materials and shall not store any product in the warehouse or on the premises adjacent thereto which will increase fire hazards.

(b) Commingling prohibited - Unless otherwise approved in writing by the cooperative, the warehouseman shall not store in any such warehouse any peanuts not covered by this contract or any other commodities or articles.

(c) Segregation - The warehouseman shall store all peanuts received hereunder separately by type, and each type of peanuts containing 3% or less damaged kernels shall be stored separately from peanuts containing more than 3% damaged kernels. The warehouseman shall make such additional segregation as may be specified in writing by the cooperative and for which facilities are available.

(d) Identification - The warehouseman shall mark, in a conspicuous place with appropriate signs and in such manner as may be specified or approved in writing by the cooperative, the buildings, piles and bins in which the peanuts received hereunder are stored, so as to give public notice of the Government's interest in such peanuts.

(e) Liability for loss or damage - The warehouseman, at his own expense, shall exercise the care of a reasonably prudent owner to keep all the peanuts which are stored in the warehouse from going out of condition, and shall condition any such peanuts which are in danger of going out of condition to the extent the warehouse is equipped to do so. If, after the exercise of such care in receiving, storing, and conditioning such peanuts as a reasonably prudent owner thereof would exercise, it is determined by inspection at the expense of the warehouseman that deterioration cannot be prevented by conditioning, the warehouseman shall immediately notify the cooperative in writing of such fact. Such written notice shall be accompanied by an inspection report by the Federal-State Inspection Service or by an authorized representative of the cooperative or CCC. Thereafter, the warehouseman shall dispose of, or care for such

peanuts at the expense of and in accordance with the directions of the cooperative. Unless the warehouseman fails to exercise due care or fails to comply with the directions of the cooperative he shall be liable for deterioration in the quality of such peanuts which are determined to be out of condition, or are in danger of becoming so only until the date he notified the cooperative.

9. PEANUTS ORDERED LOADED OUT - Whenever instructed by CCC or its agent, the warehouseman shall promptly load out and ship, in accordance with such instructions, all or any part of the peanuts stored under this contract. The delivery order shall specify the type and segregation of the peanuts to be loaded out. In the event the warehouseman for any reason fails to load out peanuts pursuant to the delivery orders at a rate reasonably commensurate with its facilities, CCC or its agent shall have the right to enter upon the premises where such peanuts are stored and load them out at the expense of the warehouseman.

10. FINAL SETTLEMENT WITH RESPECT TO PEANUTS LOADED OUT - (a) The warehouseman shall deliver, pursuant to instructions from CCC or its agent, all peanuts received under this contract and stored in the warehouse.

(b) After all the peanuts in an individual warehouse building have been loaded out, the cooperative will determine with respect to each type and segregation the "in value," and "out value," "guaranteed value," "warehouseman's liability for underdelivery," and the "warehouseman's credit for overdelivery" as follows:

(1) In value.

- (i) Determine the weighted average (carried to the nearest one-hundredth of a percent) of the grades of all peanuts received as shown on the Federal-State Inspection certificates.
- (ii) Compute the value of the entire quantity of such peanuts based on the grade determined in (i) and on the price support schedule, except that the discount for damaged kernels shall be computed at the rate of \$3.60 for Virginia type peanuts (\$3.30 for Runners or Southwest Spanish or \$3.40 for Southeast Spanish) for each 1% damaged kernels, and fractional percentages in sound mature kernels, damaged kernels, foreign material and extra large kernels in Virginia type peanuts shall be applied in determining the premiums or discounts therefor.

(2) Out value.

- (i) Determine the weighted average (carried to the nearest one-hundredth of a percent) of the grades of all the peanuts loaded out, as shown on the Federal-State Inspection certificates.

- (ii) Compute the value of the entire quantity of such peanuts based on the grade determined in (i) and on the price support schedule, except that the discount for damaged kernels shall be computed at the rate of \$3.60 for Virginia type peanuts (\$3.30 for Runners or Southwest Spanish or \$3.40 for Southeast Spanish) for each 1% damaged kernels, and fractional percentages in sound mature kernels, damaged kernels, foreign material and extra large kernels in Virginia type peanuts shall be applied in determining the premiums or discounts therefor.

(3) Guaranteed value. The guaranteed value shall be an amount which is --

- (i) $95\frac{1}{2}\%$ of the "in value" if the percentage of foreign material in the weighted average grade used in determining the "in value" is 3% or less.
- (ii) 95% of the "in value" if the percentage of foreign material in the weighted average grade used in determining the "in value" is 4%, 5%, or 6%.
- (iii) $94\frac{1}{2}\%$ of the "in value" if the percentage of foreign material in the weighted average grade used in determining the "in value" is 7% or above.

(4) Warehouseman's liability for underdelivery. If the "out value" of the peanuts of any type and segregation is less than the "guaranteed value," the amount of the warehouseman's liability for the underdelivery shall be, either:

- (i) The difference between the "out value" and the "guaranteed value," if the support price determined from the price support schedule is equal to or higher than the highest market price (as determined by CCC) for the type and weighted average grade of the peanuts during the period they were in storage; or
- (ii) The amount determined as follows, if the highest market price (as determined by CCC) for the type and weighted average grade of the peanuts during the period they were in storage exceeded the support price:
- (aa) Determine the average "in value" per pound of the type and segregation stored in the warehouse by dividing the "in value" by the pounds net weight of the peanuts for which the "in value" was computed.
- (bb) Divide the difference obtained in (i) of this paragraph (4) by the average "in value" per pound determined in (aa).

- (cc) Multiply the quantity obtained in (bb) by the highest market price per pound (as determined by CCC) for the type and weighted average grade of the segregation.

(5) Warehouseman's credit for overdelivery. If the "out value" of the peanuts of any type and segregation exceeds the "guaranteed value," the amount of the warehouseman's credit for the overdelivery shall be the amount by which the "out value" exceeds the "guaranteed value."

(c) The warehouseman shall pay to the cooperative the amount, if any, by which his total liability for underdeliveries (i.e., the sum of all amounts computed in (b) (4) above) with respect to all types and segregations of peanuts loaded out of each warehouse building exceeds his total credit for overdeliveries (i.e., the sum of all amounts computed in (b), (5) above) with respect to all types and segregations of peanuts loaded out of the same warehouse building.

(d) The warehouseman shall be entitled to credit for overdelivery only as a set-off against liability for underdelivery. The establishment of a credit for an overdelivery for purposes of settlement shall not relieve the warehouseman of his responsibility to deliver all the peanuts covered by this contract pursuant to subparagraph (a) of this paragraph (10).

11. CHARGES - The cooperative shall pay to the warehouseman the following charges for peanuts stored hereunder on a gross weight basis.

	For Bulk Peanuts (Per ton)	For Peanuts in Bags (Per Ton)
(a) Handling charges in	\$2.00	\$2.25
(b) Handling charges out	\$2.00	\$2.25
(c) Storage	\$0.25 per ton, whether in bulk or in bags, in the case of peanuts in storage 15 days or less; or \$0.45 per ton per month or any fraction thereof in the case of peanuts in storage for more than 15 days.	

In determining the storage charges hereunder, the "first-in, first-out" rule shall be followed, i.e., the peanuts loaded out shall be deemed to be the peanuts longest in store of the type and segregation from which the peanuts are loaded out, as evidenced by the date shown on the warehouse receipt. The storage month shall begin on the first day of storage as evidenced by such warehouse receipts of the warehouseman and shall run to but not include the corresponding day of the next calendar month, with additional months measured accordingly. The charges specified above shall be based upon gross outweights except that final settlement for all deliveries shall be based upon the smaller of the gross in-weight or the gross outweight. No storage charges shall be payable after the expiration of the 15 days after the date of shipments specified in shipping instructions issued by the cooperative. In the event that any peanuts stored hereunder

are destroyed, the charges specified in (a) and (c) of this section and accruing up to the date of such destruction shall be payable to the warehouseman for the quantity of peanuts so destroyed unless such destruction is attributable to the fault or negligence of the warehouseman. The charges herein provided for shall be paid by the cooperative upon the submission by the warehouseman and approval by the cooperative of invoices in such form and at such time as the cooperative may prescribe in writing.

12. DEDUCTION FOR PRODUCER'S INDEBTEDNESS TO U. S. - Subject to any prior lien, the warehouseman shall collect from the proceeds due a producer for peanuts covered by this contract any indebtedness of the producer to an agency of the United States as shown on the marketing card on which such peanuts are marketed. Such collections shall be made and remitted in accordance with the procedure issued by the cooperative. The warehouseman shall record on the marketing card, immediately below the amount of the debt, the amount collected and affix his signature thereto. In the event more than one creditor agency is shown on the marketing card, collections shall be made in the order in which the debts are listed on the marketing card. The warehouseman shall pay to the cooperative, upon demand, the amount of any producer's indebtedness to an agency of the United States which the warehouseman refused or failed to collect as required by this paragraph, unless the cooperative determines that such failure to collect was not due to the fault or negligence of the warehouseman.

13. INSURANCE - No insurance against risks of fire or extended coverage on peanuts covered by this contract will be required except that insurance may be required if the cooperative authorizes the warehouseman, in writing, to store other peanuts in the same building with peanuts stored hereunder. However, if the warehouseman does insure such peanuts and an indemnity is paid thereon, such indemnity shall inure to the benefit of the cooperative to the extent of its interest.

14. BOND. - The warehouseman shall furnish the cooperative such bonds, conditioned upon the faithful performance by the warehouseman of its obligations under this contract, as the cooperative may prescribe from time to time.

15. REPORTS - The warehouseman shall furnish such information and shall make such reports as the cooperative may request, in writing.

16. BOOKS AND RECORDS - The warehouseman shall keep, in form satisfactory to the cooperative, complete and accurate books, records and accounts for all transactions relating to peanuts received hereunder, including the names and addresses of the producers of such peanuts, the quantities received and the type, weight, and grade (including extra large shelled content of Virginia type peanuts) of each lot of peanuts. If the warehouseman is engaged in the business of purchasing peanuts for his own account, separate records of such transactions shall be kept. All books, records, and accounts of the warehouseman, including records of purchases by the warehouseman for his own account, shall at all times be open to audit and inspection by authorized representatives of the cooperative or CCC. Such books, accounts and records shall be retained through December 31, 1954.

17. INSPECTION - Warehousemen shall allow authorized representatives of the cooperative or CCC, at any reasonable hour, to make inspections of the warehouse and its equipment and to inspect, measure, and take inventories of all peanuts covered by this contract, and of the records pertaining thereto. Such inspection will not in any way act to relive the warehouseman of any of his responsibilities under this contract or under law, nor constitute a waiver of the requirement of notification to the cooperative in the event deterioration, infestation or other change of condition is detected in any of the peanuts stored hereunder.

18. TERMINATION OF CONTRACT - This contract shall be effective from the date of execution. It may be terminated by the cooperative or the warehouseman giving the other thirty (30) day's written notice of intention to terminate. Notwithstanding any other provisions hereof, the cooperative may, by written notice to the warehouseman, at any time revoke or limit the warehouseman's authority to receive peanuts for the account of the cooperative. Notwithstanding such termination of the contract or revocation or limitation of authority to purchase the provisions of this contract shall continue in full force and effect with respect to any peanuts stored by the warehouseman for the account of the cooperative, prior to such termination, revocation, or limitation. Nothing contained in this paragraph shall be construed to prevent the termination by the cooperative of this contract at any time for violation of the provisions hereof.

19. ASSIGNMENT - Neither this contract nor any claims or payments arising hereunder shall be assigned in whole or in part by the warehouseman without the prior written approval of the cooperative, and any such assignment shall be in such form as may be approved or prescribed by the cooperative.

20. CEILING PRICES - The warehouseman represents and warrants that the fees provided for in this contract are not in excess of any applicable maximum warehouse charges established under Federal law. The charges to be paid by the cooperative for services performed by the warehouseman shall be the lower of the fees provided for in this contract or the applicable maximum warehouse charges in effect when such services are performed. By submitting each invoice for charges, the warehouseman shall be deemed to have warranted that the charges in such invoice are not in excess of such applicable maximum warehouse charges. Fees payable to the warehouseman under this section are subject to review by the cooperative in event the Office of Price Stabilization grants an increase in maximum warehouse charges for peanuts but without any commitment by the cooperative that any increase in such fees will be made by the cooperative except and to the extent that the cooperative may determine that an increase is justified.

21. RIGHTS OF CCC - CCC may exercise any rights of the cooperative under this contract.

22. ANTI-DISCRIMINATION - The warehouseman, in the performance of this contract, shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin.

23. DESCRIPTIVE HEADINGS - The descriptive headings of the various paragraphs hereof were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

24. OVERTIME. When overtime, holiday or Sunday loading or unloading services are required by the cooperative, no charge will be made for straight time labor costs, since they are included in the in and out handling charge. The overtime differential charge for labor, which is the additional labor cost over straight time, will be paid for such services.

25. NOTIFICATION. The warehouseman shall have fulfilled his obligation to notify the cooperative as required in this contract only when such notification is received in writing at the main office of the cooperative.

26. APPLICATION FOR APPROVAL. It is further agreed that the application for approval as a warehouseman and all material representations contained therein, submitted for the purpose of inducing the cooperative to approve the undersigned warehouseman for the storage of peanuts, are included in this contract by reference and made a part hereof.

Signed at _____
this _____ day of _____ 19____.

Firm _____
(Warehouseman)

By _____

(Title)

(Cooperative)

By _____

(Manager)

6-20-52

Bureau Approval

PEANUT STORAGE CONTRACT
(For "PMA - CCC" Approved Warehouses)

THIS CONTRACT, made and entered into this _____ day of _____
19____, by and between Commodity Credit Corporation, (hereinafter
referred to as "CCC,") and _____ a _____
(Individual
_____ with principal place of business
Partnership, Corporation)
at _____ (hereinafter referred to as the "warehouseman.")

W I T N E S S E T H:

WHEREAS, the warehouseman represents that he owns or operates one or more warehouses (hereinafter individually and collectively referred to as the "warehouse") with adequate facilities for receiving, handling, storing and loading out farmers stock peanuts at the locations described in Section 1 and

WHEREAS, CCC desires that the warehouse and facilities be made available with respect to peanuts which may be eligible for price support and are defined in paragraph 3 of this agreement as "peanuts subject to the terms of this contract":

NOW THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. WAREHOUSES. the warehouseman shall receive peanuts hereunder only at the following warehouse.

_____	_____
_____	_____
_____	_____

2. PERIOD OF OPERATION AND DUTIES. During the period beginning on the date of execution of this contract and ending on July 31, 1953, or such other date as may be approved by CCC in writing, the warehouseman shall, upon the terms and conditions hereinafter specified and up to the capacity available for the storage of the peanuts, receive, handle, store and load out all peanuts subject to the terms of this contract.

3. PEANUTS SUBJECT TO THE TERMS OF THIS CONTRACT. Peanuts subject to the terms of this contract shall be farmers stock peanuts accepted and stored by the warehouseman, containing 15% or less foreign material and 3% or less damaged kernels, 9% or less moisture in the Southeastern and Southwestern areas (10% or less moisture in the Virginia-Carolina area), for which the type and grade are determined by the Federal-State Inspection Service at the time the peanuts are received into the warehouse, and ^{which are} represented by a warehouse receipt described in paragraph 6 of this contract, such peanuts being either (1) owned by or in the possession of CCC or any other agency of the United States under general supervision of the Secretary of Agriculture, or in the possession of any lending agency in connection with a loan made available by CCC, or (2) received for storage in the warehouse from a producer who desires to deliver them to CCC under a price support "Purchase Agreement" or use them as collateral security for a loan made or made available by CCC, the terms of this agreement being applicable to such peanuts as of the date of receipt from the producer.

4. DEFINITIONS. For purposes of this contract, the following terms shall be construed to mean, respectively,

(a) Lot - That quantity of peanuts for which one Federal-State Inspection certificate is issued.

(b) Handling-in charges means charges for receiving and unloading/ into the warehouse a lot of peanuts covered by this contract from trucks, railroad cars, or other conveyances, for storing such peanuts in the warehouse and for issuing a warehouse receipt in the form prescribed by CCC.

(c) Handling-out charges means charges for loading out of the warehouse f.o.b. cars if rail facilities are adjacent to the warehouse, or for loading out ~~for~~ trucks, and for preparing necessary documents for shipment of peanuts.

(d) Price support schedule means the schedule of support prices contained in section 646.428 of the 1952 CCC Peanut Bulletin 721 (Peanuts-52)-.

(e) Dollar value in means the dollar value of any lot of peanuts at the time of receipt in the warehouse, such value to be computed on the basis of the net weight, the price support schedule and the grade of the lot determined by Federal-State Inspection.

(f) Dollar value out means the dollar value of the peanuts loaded out of the warehouse in satisfaction of a warehouse receipt, such value to be determined on the basis of the net weight, the price support schedule and the grade determined by Federal-State Inspection.

(g) County Committee - The persons elected within a county, pursuant to regulations governing Production and Marketing Administration county and community committees published in the Federal Register of September 29, 1949, (14 F.R. 5916), who are generally responsible for carrying out in the county the agricultural programs administered through the Production and Marketing Administration.

(h) State Committee - The persons designated as the State committee of the Production and Marketing Administration, charged with the responsibility of administering Production and Marketing Administration programs within the State.

(i) PMA Commodity Office - The Office so designated as of the date of approval of this contract, and any office or agency which may succeed to the functions of such office.

(j) Other Terms - Other terms defined in the 1952 CCC Peanut Bulletin, 721 (Peanuts-52)-1 and used herein have the meanings assigned in such bulletin.

5. BASIS ON WHICH PEANUTS ARE STORED OR HANDLED. (a) All peanuts of one type subject to the terms of this contract shall be stored commingled and segregated from all other peanuts in the warehouse (and the responsibility of the warehouseman shall be as if stored commingled by type), unless CCC has specifically authorized in writing that all or any quantity of the peanuts subject to the terms of this contract be stored identity preserved.

(b) In case the peanuts are stored on an identity preserved basis, they shall be stored in bags in special piles, or in bulk in special bins and in such manner that the actual peanuts deposited, and no other, may be delivered to the lawful holder of the warehouse receipt. The warehouse receipt shall be plainly marked, in a manner satisfactory to CCC, ^{to show} that the peanuts are stored on an identity preserved basis.

6. WAREHOUSE RECEIPTS. (a) For each lot of peanuts received by the warehouseman for storage on a commingled basis the warehouseman shall upon receipt of the peanuts issue to the producer or agency entitled thereto a negotiable warehouse receipt in the form approved by CCC and shall show thereon the identity of the warehouse, the type and grade factors of the peanuts received, the gross weight, the net weight, and the "dollar value in" determined in accordance with paragraph 8.

Such receipt shall also contain the warehouseman's guarantee to deliver a quantity of the same type of peanuts containing 15% or less foreign material, 3% or less damaged kernels, and 9% or less moisture in the Southeastern and Southwestern areas (10% or less moisture in the Virginia-Carolina area), for which the "dollar value out" is not less than the applicable percentage of the "dollar value in" shown below:

- (1) 95 $\frac{1}{2}$ % where the foreign material in is 1%, 2%, or 3%.
- (2) 95% where the foreign material in is 4%, 5%, or 6%.
- (3) 94 $\frac{1}{2}$ % where the foreign material in is 7% or above.

(b) Upon receipt of a "lot" of peanuts received by the warehouseman for storage on an identity preserved basis, the warehouseman shall issue to the producer or agency entitled thereto a negotiable warehouse receipt as prescribed in (a) above except that such receipt shall be plainly marked to indicate storage identity preserved, and shall contain the warehouseman's guarantee to deliver the identical peanuts; and receipts not so marked shall, for purposes of this contract, be considered as covering peanuts commingled pursuant to the provisions of paragraph 5.

7. DETERMINATION OF TYPE AND GRADE. The Federal-State Inspection Service shall determine the type (Runner, Spanish, Valencia, or Virginia) and the grade (percentages of sound mature kernels, damaged kernels, other kernels, foreign material, moisture, and extra large kernels in Virginia type peanuts) of each lot of peanuts subject to the terms of this contract received into or loaded out of the warehouse. The type and grade so determined shall be used in determining the pounds net weight and the dollar value of such peanuts for the purposes of this contract. Any determination of grade shall be subject to a right of appeal to the Federal-State Inspection Service by any person having a financial interest in the peanuts in accordance with Federal-State Inspection Service procedure.

8. DETERMINATION OF WEIGHT AND DOLLAR VALUE IN. The warehouseman shall determine the pounds gross weight and net weight and the "dollar value in" of each lot of peanuts subject to the terms of this contract received into the warehouse.

The warehouseman's determinations of gross and net weights and "dollar value in" are subject to correction of errors by the PMA county office, CCC, or a lending agency, if the peanuts represented by a warehouse receipt are placed under loan or purchase agreement or are delivered to CCC. However, the warehouseman is primarily responsible for any error on the warehouse receipt and shall be liable for any overpayment made by CCC or a lending agency as a result of such error.

The net weight of a lot of peanuts is the gross weight of the lot, excluding foreign material and excess moisture. Excess moisture is that percentage of moisture shown on the Federal-State inspection memorandum for the lot which is in excess of 7% in the Southeastern and Southwestern areas, or in excess of 8% in the Virginia-Carolina area.

The net weight of any such lot of peanuts shall be determined as follows: (1) Deduct from the gross weight the pounds of foreign material; (2) Multiply the result obtained in (1) by the percentage of excess moisture; (3) Subtract the result obtained in (2) from that obtained in (1).

9. OBLIGATIONS IN MAINTAINING PEANUTS IN WAREHOUSE. (a) The warehouseman shall, subject to the terms and conditions herein specified, provide storage approved by CCC for all peanuts which are stored hereunder and shall store the peanuts in accordance with good commercial practices.

(b) The warehouseman shall provide an adequate space for ingress and egress in the warehouse, shall keep the premises including buildings clear and free from debris, trash, weeds or other inflammable materials, and shall not store any product in the warehouse or on the premises adjacent thereto which will increase fire hazards.

(c) The warehouseman shall keep all the peanuts subject to the terms of this contract in store in the warehouse described on the warehouse receipts. He shall store all the peanuts which are identity preserved so as to maintain at all times the identity of each lot. With respect to commingled peanuts, he shall maintain stocks of at least the quantity and quality which he is obligated to deliver under all outstanding warehouse receipts.

10. RESPONSIBILITY FOR CONDITION OF PEANUTS. The warehouseman, at his own expense, shall exercise the care of a reasonably prudent owner to keep all of the peanuts which are stored in the warehouse from going out of condition, and shall condition any such peanuts which are in danger of going out of condition to the extent the warehouse is equipped to do so. If, after the exercise of such care in receiving, storing and conditioning such peanuts as a reasonably prudent owner thereof would exercise, it is determined by an inspection at the expense of the warehouseman (such inspection to be performed by the PMA county committee, Federal-State Inspection Service, or by another authorized representative of CCC) that deterioration cannot be prevented by conditioning, the warehouseman shall immediately notify CCC in writing of such fact, such notification to be accompanied by the inspection report. If any portion of such peanuts stored commingled or identity preserved are owned by others than CCC, the warehouseman should give similar notice to the receipt holders as they appear on the records of the warehouseman. Thereafter, the warehouseman shall dispose of or care for that portion of such peanuts represented by the warehouse receipts held by CCC, at the expense of and in accordance with the directions of CCC. Unless the warehouseman fails to exercise due care or fails to comply with the directions of CCC after such directions have been received, he shall be liable for deterioration in the quality of such peanuts which are determined to be out of condition or in danger of becoming so, only until the date he notified CCC as aforesaid.

11. REQUIREMENTS FOR PEANUTS LOADED OUT. (a) Upon the surrender by CCC or its agent of a warehouse receipt representing peanuts subject to the terms of this contract which are stored commingled, the warehouseman shall load out merchantable farmers stock peanuts of the same type containing 15% or less foreign material, 3% or less damage, and 9% or less moisture in the Southeastern and Southwestern areas (10% or less moisture in the Virginia-Carolina area).

(b) Upon the surrender of warehouse receipts representing peanuts subject to the terms of this contract which are stored identity preserved, the warehouseman shall load out or deliver the identical peanuts received.

(c) Notwithstanding any other provisions of this contract, any peanuts subject to the terms of this contract, remaining in warehouse when deliveries have been made against all warehouse receipts, shall be delivered to CCC, with settlement for overdeliveries to be made by CCC pursuant to paragraph 13.

12. SETTLEMENT FOR DEFICIENCIES IN PEANUTS LOADED OUT. Settlement shall be made with respect to each warehouse receipt for which there is a deficiency in delivery out of the warehouse (except that if two or more warehouse receipts are surrendered with one delivery order, one settlement shall be made for the entire order, and in computing the amount due for the deficiency, the "dollar value out" of the peanuts delivered shall be applied against the total of the amounts guaranteed on all such warehouse receipts.)

(a) If the "dollar value out" of commingled peanuts loaded out is less than the amount guaranteed on the warehouse receipt, the warehouseman shall reimburse the holder of the warehouse receipt for the deficiency in an amount determined as follows:

- (1) Determine the difference between the amount guaranteed on the warehouse receipt and the "dollar value out."
- (2) Divide the amount obtained in (1) by the support price per pound of the peanuts received, as described on the warehouse receipt.
- (3) Multiply the quantity obtained in (2) by the higher of the support price or the highest market price per pound, as determined by CCC, during the period in which the peanuts were in storage.

(b) In making settlement for the delivery of peanuts which are stored identity preserved, the warehouseman shall be liable for any shortage in weight or deficiency in quality in the event such shortage results from his failure to use due care or his failure to provide appropriate warehousing services. If the warehouseman is liable for the shortage in weight or deficiency in quality, he shall reimburse the holder of the warehouse receipt for the deficiency in an amount determined as follows:

- (1) Determine the difference between the "dollar value in" of the peanuts for which the warehouse receipt was issued and the "dollar value out" of the peanuts loaded out.

- (2) Divide the amount obtained in (1) by the support price per pound on which the "dollar value in" was computed.
- (3) Multiply the quantity obtained in (2) by the higher of the support price or the highest market price per pound, as determined by CCC, during the period in which the peanuts were in storage.

13. SETTLEMENT FOR OVERDELIVERIES. If the "dollar value out" of commingled peanuts loaded out for CCC exceeds the "dollar value in" CCC shall pay the warehouseman the amount of the difference up to the value of deficiencies paid by the warehouseman to warehouse receipt holders pursuant to paragraph 12.

14. CHARGES AND PERIODS IN WHICH APPLICABLE. Charges for services under this contract shall be at the following rates:

	For Bulk Peanuts (Per Ton)	For Bagged Peanuts (Per Ton)
(a) Handling charges in	\$2.00	\$2.25
(b) Handling charges out	\$2.00	\$2.25
(c) Storage (commingled)	\$0.35 per ton, whether in bulk or in bags, in the case of peanuts in storage 15 days or less; or \$0.65 per ton per month or any fraction thereof in the case of peanuts in storage for more than 15 days.	

For peanuts stored identity preserved, the storage rate shall be \$0.25 per ton for storage of 15 days or less and \$0.45 per ton per month or any fraction thereof in the case of peanuts in storage for more than 15 days.

The period for which these charges shall apply shall begin with the date each lot of peanuts is deposited in the warehouse. The storage months shall run from that date to, but not including, the corresponding day of the next calendar month, with additional months measured accordingly. The charges specified above shall be based upon gross outweights, except that final settlement for all deliveries to CCC shall be based upon the smaller of the gross inweight or the gross outweight.

Storage charges shall cease fifteen (15) days following the date specified as the date of shipment in the instructions issued by or on behalf of the holder of the warehouse receipt, or the date shipment is accepted by the carrier, whichever is earlier.

15. CEILING PRICES. The warehouseman represents and warrants that the fees provided for in paragraph 14 are not in excess of any applicable maximum warehouse charges established under Federal law. The charges to be paid for services performed by the warehouseman shall be the lower of the fees provided for in said section or the applicable maximum warehouse charges in effect when such services are performed. By submitting each invoice for charges, the warehouseman shall be deemed to have warranted that the charges specified in such invoice are not in excess of such applicable maximum warehouse charges. Fees payable to the warehouseman

under this section are subject to review by CCC in the event the Office of Price Stabilization grants an increase in maximum warehouse charges for peanuts, but without any commitment by CCC that any increase in such fees will be made except in the event and to the extent that CCC may determine that an increase is justified.

16. PAYMENT OF WAREHOUSE CHARGES.

(a) With respect to peanuts acquired by CCC under the price support program and represented by warehouse receipts in the possession of CCC on May 31, 1953, CCC shall, as of such date, and upon presentation of proper invoice by the warehouseman, pay all charges due and unpaid thereon; and shall, for such peanuts remaining in store after May 31, 1953, upon presentation of proper invoice by the warehouseman, pay all charges due and unpaid thereon on a storage month basis up to the termination of the storage period for any lot of peanuts (i.e., when peanuts are loaded out, lost, damaged or sold or transferred in storage).

(b) With respect to peanuts owned by CCC and stored under the terms of this contract, CCC shall, upon presentation of proper invoice by the warehouseman, pay all charges due and unpaid, on a storage month basis, up to the termination of the storage period for any lot of peanuts, unless the warehouse receipts are transferred with the provision that the purchaser shall assume the warehouse charges.

17. INSURANCE. Without in any way limiting his obligation under the other provisions of this contract, the warehouseman shall insure and at all times keep insured, in his own name, all peanuts stored commingled, for the benefit of the holders of warehouse receipts, against loss or damage by fire, or extended coverage risks, for the full market value of the peanuts. The warehouseman shall not be required to carry insurance covering identity preserved peanuts; however, any indemnity paid to the warehouseman or the producer shall inure to the benefit of CCC to the extent of its interest, after first satisfying the producer's equity in the peanuts involved in the loss.

18. BOND. The warehouseman shall furnish CCC such bonds, conditioned upon the faithful performance by the warehouseman of his obligations under this contract, as CCC may prescribe, from time to time.

19. AUTHORIZED OFFICERS AND EMPLOYEES. The warehouseman shall furnish to CCC specimen signatures of officers and employees who are authorized to execute documents required by this contract, indicating specifically the particular documents which each officer or employee is authorized to execute.

20. REPORTS. The warehouseman shall furnish such information and shall make such reports as CCC may request.

21. BOOKS AND RECORDS. The warehouseman shall keep in form satisfactory to CCC, complete and accurate books, records, and accounts for all transactions relating to peanuts subject to the terms of this contract. The

books, records, and accounts of the warehouseman regarding such transactions shall at all times be open to audit and inspection by authorized representatives of CCC. Such books, accounts and records shall be retained through December 31, 1954.

22. INSPECTION. The warehousemen shall allow authorized representatives of CCC, at any reasonable hour, to make inspections of the warehouse and its equipment and to inspect, measure, and take inventories of all peanuts subject to the terms of this contract, and of the records pertaining thereto. Such inspection will not in any way act to relieve the warehouseman of any of his responsibilities under this contract or under law, nor constitute a waiver of the requirement of notification to CCC in the event deterioration, infestation or other change of condition is detected in any of the peanuts stored hereunder.

23. TERMINATION OF CONTRACT. This contract shall be effective from the date of execution. It may be terminated by CCC or the warehouseman giving the other thirty (30) days' written notice of intention to terminate. Nothing contained in this paragraph shall be construed to prevent the termination by CCC of this contract at any time for violation of the provisions hereof.

24. ASSIGNMENT. Neither this contract nor any claims or payments arising hereunder shall be assigned in whole or in part by the warehouseman without the prior written approval of CCC and any such assignment shall be in such form as may be approved or prescribed by CCC.

25. BENEFITS. No Member of or Delegate to the Congress of the United States shall be admitted to any share or part of this contract or to any benefits to arise herefrom, but this provision shall not be construed to extend to benefits arising from this contract if accruing to a corporation nor shall this provision be construed to prohibit the purchase from, or storage for a Member of or Delegate to the Congress of peanuts produced by him.

26. ANTI-DISCRIMINATION. The warehouseman, in the performance of this contract, shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin, and shall include a provision in each subcontract entered into in connection with the performance of this contract, whereby the subcontractor agrees that he will not discriminate against any of his employees or applicants for employment, because of race, creed, color or national origin.

27. DELEGATION. Any act, approval, direction, or determination provided in this contract to be made by CCC may, without prior approval of the warehouseman, be delegated by CCC to any agent, representative, or agency to act in its place and stead or for its account.

28. DESCRIPTIVE HEADINGS. The descriptive headings of the various sections hereof were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

CCC Peanut Form 29

29. EXECUTION. This contract shall be executed by duly authorized representatives of CCC and the warehouseman, and shall not be amended or superseded except by written agreement executed in the same manner as this contract.

30. NOTIFICATION. The warehouseman shall have fulfilled his obligation to notify CCC as required in this contract only when such notice is received in writing by the Director, PMA Commodity Office, in the area in which the warehouse is located.

31. APPLICATION FOR APPROVAL. It is further agreed that the application for approval as a warehouseman and all material representations contained therein, submitted for the purpose of inducing CCC to approve the undersigned warehouseman for storage of peanuts, are included in this contract by reference and made a part hereof.

32. OVERTIME. When overtime, holiday or Sunday loading or unloading services are required by CCC, no charge will be made for straight time labor costs, since they are included in the in and out handling charge. The overtime differential charge for labor, which is the additional labor cost over straight time, will be paid for such services.

COMMODITY CREDIT CORPORATION

By _____

Date _____

(Title)

In the presence of:

(Warehouseman)

By _____

(Title)

721 (Peanuts 1952)-1
1952 CCC Peanut Bulletin

U. S. Department of Agriculture
Production and Marketing Administration
Commodity Credit Corporation

1952 CROP PEANUT PRICE SUPPORT PROGRAM

This bulletin states the terms and conditions of the 1952 Crop Peanut Price Support Program under which the Secretary of Agriculture makes price support available through the Commodity Credit Corporation, Production and Marketing Administration and peanut cooperative associations (hereinafter referred to as "CCC," "PMA," and "cooperatives," respectively).

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- 646.421 Loss or damage to the peanuts under farm storage loan or identity-preserved warehouse storage loan
- 646.422 Personal liability of the producer for the peanuts
- 646.423 Safeguarding the peanuts
- 646.424 Release of the peanuts under loan
- 646.425 Liquidation of loans and delivery under purchase agreements
- 646.426 Removal of peanuts under loan
- 646.427 Purchase of notes
- 646.428 Price support schedule

AUTHORITY: §§ 646.401 to 646.428 inclusive, issued under sec. 4, 62 Stat. 1070, as amended; 15 U.S.C., Sup. 714b. Interpret or apply secs. 4, 5, 62 Stat. 1070, as amended, 1072, secs., 101, 401, 63 Stat. 1051, 1054; 15 U.S.C., Sup. 714b, 714c, 7 U.S.C. Sup. 1441, 1421.

§646.401 Administration. The program will be administered by PMA, under the general direction and supervision of the President, CCC, and in the field, will be carried out by PMA State and PMA county committees (hereinafter called State and county committees), PMA commodity offices, and the cooperatives designated in §646.402 and any other cooperatives approved by CCC.

It will be the responsibility of the State PMA committee in each State to carry out the provisions of the 1952 peanut program in such a manner that price support will be available to all eligible producers of merchantable farmers stock peanuts. Insofar as practicable, warehouse storage and price support to the producers will be made available through the cooperatives, which will establish, throughout the State, warehouses to which the farmers may deliver their peanuts for market. Warehouse storage facilities will be made available for individual producer loans in those locations where the State committee determines that the cooperative warehouse facilities are inadequate, or for some other reason, are not properly serving the needs of producers.

Producers interested in participating in the program should communicate with their county committee or the peanut cooperative association serving their area.

All documents in connection with farm or warehouse storage loans and purchase agreements will be completed and approved by the county committee which will retain copies of all such documents. The State committee may authorize the county committee to designate certain employees of the county committee to approve documents on behalf of the county committee. The names of the employees delegated to approve documents in behalf of the county committee shall be submitted to the State committee for approval.

Authorized representatives of the peanut cooperative will issue drafts to producers for peanuts marketed through the cooperative.

State and county committees, PMA commodity offices and cooperatives do not have authority to modify or waive any of the provisions of this subpart or any amendments or supplements hereto.

§646.402 Areas and offices. The areas in which the program will be available and the cooperatives and PMA commodity offices serving such areas are as follows:

- (a) The Virginia-Carolina area consisting of the States of Virginia, North Carolina, Tennessee, Missouri, and that part of South Carolina north and east of the Santee-Congaree-Broad Rivers.

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Cooperative:

Growers Peanut Cooperative, Inc.
Franklin, Virginia

PMA Commodity Office:

PMA Commodity Office
U. S. Department of Agriculture
Wirth Building, 120 Marais Street
New Orleans 16, Louisiana

(b) The Southeastern area consisting of the States of Alabama, Georgia, Mississippi, Florida, and that part of South Carolina south and west of the Santee-Congaree-Broad Rivers.

Cooperative:

GFA Peanut Association
Camilla, Georgia

PMA Commodity Office:

PMA Commodity Office
U. S. Department of Agriculture
Wirth Building, 120 Marais Street
New Orleans 16, Louisiana

(c) The Southwestern area consisting of the States of Texas, Oklahoma, New Mexico, Arkansas, Louisiana, Arizona and California.

Cooperative:

Southwestern Peanut Growers' Association
Gorman, Texas

PMA Commodity Offices:

For Texas, Oklahoma and New Mexico:

PMA Commodity Office
U. S. Department of Agriculture
Room 218, Sante Fe Building
1114 Commerce Street
Dallas 2, Texas

For Arkansas and Louisiana:

PMA Commodity Office
U. S. Department of Agriculture
Wirth Building, 120 Marais Street
New Orleans 16, Louisiana

For Arizona and California:

PMA Commodity Office
 U. S. Department of Agriculture
 P.O. Box 3638, Rincon Annex
 San Francisco 19, California

§ 646.403 Availability.

(a) Methods of support. CCC will support the price to eligible producers of eligible 1952 crop quota peanuts through (1) non-recourse farm storage loans to producers, (2) purchase agreements with producers, (3) non-recourse loans to the cooperatives under contract with CCC, and (4) non-recourse warehouse storage loans to producers storing peanuts in warehouses.

Loans on peanuts stored on farms or in warehouses under contract/CCC must be approved by the county PMA committee which keeps the farm program records for the farm. After the loan documents are approved, the producer may obtain his loan from any local bank or other lending agency which has entered into a lending agency agreement with CCC, or he may obtain the loan through the county PMA committee.

Purchase agreements are also available to producers through the county committee which keeps the farm program records for the farm.

Producers who market their peanuts through the cooperative will deliver them to the cooperative warehouse and receive payment from the cooperative. Producers marketing their peanuts through a cooperative are not required to be members of the cooperative.

(b) Time: (1) Producer farm and warehouse storage loans will be available through January 31, 1953, and mature May 31, 1953, or earlier upon demand.

(2) Purchase agreements will be available through January 31, 1953. Producers who elect to deliver peanuts under a purchase agreement must notify the county committee within a 30-day period ending on May 31, 1953, or any earlier date approved by the President of CCC.

(3) Cooperatives will receive peanuts from producers through January 31, 1953. CCC's loan to the cooperative will mature on May 31, 1953, or earlier upon demand by the President of CCC.

§ 646.404 Definitions. As used in this subpart and in instructions, forms and documents in connection therewith, the words and phrases defined in this section shall have the meanings herein assigned to them unless the context or subject matter otherwise requires.

(a) Definitions of types of peanuts. The generally known types of peanuts (i.e., Runner, Spanish, Valencia, and Virginia) shall be as defined in Marketing Quota Regulations for Peanuts of the 1952 Crop, 1023 (Peanuts -52)-1, Amendment 1, (17 F.R.907).

(b) Farmers stock peanuts means picked and threshed peanuts produced in the continental United States during the calendar year 1952 and which have not been shelled, crushed, cleaned (except for removal of foreign material), or otherwise changed from the state in which picked or threshed peanuts are customarily marketed by producers.

(c) Quota peanuts means farmers stock peanuts which are within the amount of the farm marketing quota determined pursuant to § 729.346 of Marketing Quota Regulations for 1952 Crop of Peanuts.

(d) Merchantable farmers stock peanuts means farmers stock quota peanuts containing 15% or less foreign material, 3% or less damaged peanuts, and 9% or less moisture in the Southeastern and Southwestern areas and 10% or less moisture in the Virginia-Carolina area.

(e) High damage peanuts means peanuts meeting all requirements with respect to merchantable farmers stock peanuts except that they contain 4% or more damaged kernels.

(f) Within quota card means Form MQ-76-Peanuts (1952), Peanut Within Quota Marketing Card, issued for farms for which it is determined that the farm peanut acreage is not in excess of the larger of the farm allotment or one acre. This card authorizes the marketing of all peanuts produced on the farm without payment of a marketing penalty.

(g) Grade means the percentage of sound mature kernels, damaged kernels, other kernels, foreign material, moisture, and extra large kernels in the case of Virginia type peanuts.

(h) Farm peanut acreage means 1952 farm peanut acreage determined in accordance with the marketing quota regulations, and generally, refers to the total acreage of peanuts on the farm which is picked or threshed.

(i) Excess moisture for the purpose of determining net weight, means the percentage of moisture in excess of 7 percent in the Southeastern and Southwestern areas and in excess of 8 percent in the Virginia-Carolina area.

(j) Lot means that quantity of farmers stock peanuts for which one Federal-State inspection certificate is issued.

(k) Pound net weight means that quantity of farmers stock peanuts, excluding foreign material and excess moisture, equal to one pound standard weight. The net weight of any quantity of farmers stock peanuts shall be determined as follows: (1) Deduct from the gross weight the pounds of foreign material determined by multiplying the gross weight by the percentage of foreign material; (2) Multiply the result obtained in (1) by the percentage excess moisture; (3) subtract the result obtained in (2) from that obtained in (1).

(l) Market means to dispose of peanuts, including farmers stock peanuts, shelled peanuts, or peanuts in processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos. The terms "marketed," "marketing," and "for market" shall have corresponding means to the term "market" in the connection in which they are used.

(m) Warehouse means a warehouse for which a Peanut Storage Contract, CCC Peanut Form 29, is in effect.

(n) Producer means a person who, as owner, landlord, tenant, or sharecropper, is entitled to share in the peanuts produced on the farm or in the proceeds thereof.

(o) Operator means the person who is in charge of the supervision and conduct of the farming operations on the entire farm.

(p) Marketing quota regulations means the Marketing Quota Regulations for 1952 Crop of Peanuts issued by the Secretary of Agriculture, including any amendments or supplements thereto (16 F.R. 11946, 17 F.R. 907, and 17 F.R. 4317).

(q) Farm allotment means the farm peanut acreage allotment for the 1952 crop of peanuts established pursuant to the marketing quota regulations. In any case where a farm allotment is not established or is established at less than one acre the farm peanut acreage shall be deemed to be in excess of the farm allotment only if it exceeds one acre.

§ 646.405 Support prices. The support prices and producer loan rates for merchantable farmers stock peanuts are contained in § 646.428, Price support schedule. The weighted average support price and producer loan rate for all merchantable farmers stock peanuts will be not less than \$239.40 per ton. Such prices and rates will be increased if the supply percentage and parity price level as of August 1, 1952, require an increase.

§ 646.406 Operations of cooperatives. Each peanut cooperative which enters into a 1952 Crop Peanut Cooperative Loan Agreement, CCC Peanut Form 27 (hereinafter referred to as "agreement"), with CCC will (1) receive, at support prices less fees and charges specified in the agreement, merchantable and high damage farmers stock peanuts delivered by eligible producers to cooperative warehouses, (2) store, handle, and market such peanuts on behalf of the producers, (3) distribute among the producers from whom it receives such peanuts all profits made from the sales of such peanuts, unless other disposition is approved by the President of CCC, and (4) handle peanuts acquired by CCC under the price support program.

The cooperative will enter into a Peanut Receiving and Warehouse Contract, CCC Peanut Form 28, with each approved warehouseman who agrees to make his storage facilities available to, and to receive eligible peanuts for, the cooperative.

CCC, pursuant to the terms of its agreement with the cooperative, will make a loan to the cooperative to enable it to pay producers for peanuts marketed through the cooperative, and all peanuts received by the cooperative shall be used as collateral for the loan by CCC. The cooperative will be permitted to redeem the peanuts and sell them, in accordance with sales policies, methods, and prices approved by CCC. CCC shall have the right at any time to call the loans or direct the cooperative to sell peanuts handled by it.

Peanuts acquired by CCC under the price support program will be handled by the cooperative on a fee basis, as specified in the agreement.

§ 646.407 Peanuts eligible for price support. (a) Farmers stock peanuts, to be eligible for price support, must be:

- (1) 1952 crop quota peanuts produced by an eligible producer;
- (2) Merchantable farmers stock peanuts as defined in section 646.404, except that high damage peanuts may be delivered to the cooperative at prices specified in § 646.428, less fees and deductions specified in § 646.416.
- (3) Identified by a within quota marketing card in accordance with the Marketing Quota Regulations for 1952 Crop of Peanuts.
- (4) Free and clear of all liens and encumbrances, including landlord's liens, or if liens or encumbrances exist on the peanuts, proper waivers must be obtained; and
- (5) The beneficial interest in the peanuts must be in the person tendering them for a loan or for delivery under a purchase agreement, or offering them to a cooperative, and must always have been in him or must have been in him and a former producer whom he succeeded before the peanuts were harvested.

§ 646.408 Eligible producer. A producer will be considered a "cooperator" and eligible for price support through any method with respect to all merchantable farmers stock peanuts and will be eligible to market through the cooperative high damage peanuts; provided such merchantable and high damage peanuts are produced by him on a farm (1) on which the 1952 picked and threshed acreage of peanuts does not exceed the 1952 allotment for such farm, or (2) for which a within quota card is issued to the operator upon the execution of MQ-92, "Agreement by Operator of Overplanted Farm", in which he agrees (a) that the farm peanut acreage will not be in excess of the larger of the farm allotment or one acre,

and (b) if such undertaking is breached to pay liquidated damages to CCC, determined in accordance with the terms of such agreement, and to pay any marketing penalties determined to be due the Secretary of Agriculture.

The liquidated damages payable to CCC under such agreement may be waived to such extent as the President of CCC or his designated representative may determine appropriate in any case where he determines (1) that the breach of such agreement was unintentional and occurred despite a bona fide effort by the operator and other producers on the farm to comply with the agreement and (2) that the amount by which the farm peanut acreage exceeded the acreage specified in the agreement was so small, in relation to the acreage so specified, that it did not materially impair CCC's price support operations. Copies of Form MQ-92 may be obtained from the county committee. The county committee may decline to execute Form MQ-92 in any case where it finds reasonable grounds to believe that such agreement will be used as a device to evade the requirements of this program or the collection of marketing penalty.

§ 646.409 Determination of type and grade. The Federal-State Inspection Service shall determine the type and grade of all peanuts which are to be:

(a) mortgaged as security for a farm storage loan, such type and grade to be determined on the basis of a sample taken by the county committee before the loan is made; but the settlement value of the mortgaged peanuts delivered in satisfaction of the loan will be determined on the basis of the grade determined at the time such peanuts are delivered;

(b) stored in a warehouse and for which a warehouse receipt is issued in the form prescribed by CCC, such type and grade to be determined at the time the peanuts are delivered to the warehouse;

(c) delivered to CCC under a purchase agreement, such type and grade to be determined either (i) at the time the peanuts are delivered to CCC by the producer or (ii) at the time the peanuts are delivered for storage to a warehouse if a warehouse receipt is issued in the form prescribed by CCC;

(d) marketed through peanut cooperatives, such type and grade to be determined at the time the peanuts are delivered to the cooperative warehouse;

(e) delivered to CCC by cooperatives, such type and grade to be determined at the time the peanuts are loaded out of the warehouse, unless another time is agreed to by CCC and the cooperative; and

(f) delivered to CCC from a warehouse, such type and grade to be determined at the time the peanuts are loaded out of the warehouse.

§ 646.410 Disbursement of loans. Disbursement of farm and warehouse storage loans will be made to producers by approved lending agencies under agreement with CCC, or by PMA county offices who will issue sight drafts on CCC. Disbursement, regardless of where made, shall not be made after February 15, 1953, unless approved by the President, CCC. The producer shall not present the loan documents for disbursement unless peanuts are in existence and in good condition. If the peanuts are not in existence and in good condition at the time of disbursement, the proceeds shall be promptly refunded by the producer. In the event the amount disbursed exceeds the amount authorized, the producer shall be personally liable for repayment of the amount of such excess.

§ 646.411 Approved lending agencies. An approved lending agency shall be any bank, cooperative marketing association, corporation, partnership, individual, or other legal entity, with which CCC has entered into a Lending Agency Agreement on CCC Form 292.

§ 646.412 Approved storage. Farm or warehouse storage loans will be made only on peanuts in approved storage. Purchase agreements will be accepted without any requirements for approved storage; however, warehouse receipts tendered on peanuts under purchase agreements will be purchased only on peanuts in approved warehouse storage and provided such peanuts are in existence and in good condition at the time the warehouse receipt is tendered for purchase.

(a) Farm storage. Approved farm storage shall consist of storage structures located on or off the farm (excluding public warehouses), which are determined by the county committee to be so located and of such substantial and permanent construction as to afford safe storage of peanuts. Such structure shall be dry and well-ventilated.

(b) Warehouse storage.

(1) Approved warehouse storage for peanuts under a warehouse storage loan or delivered under a purchase agreement shall consist of warehouses for which a Peanut Storage Contract, CCC Peanut Form 29, is in effect. The names and locations of such approved warehouses may be obtained from the county or State committee, or from PMA commodity offices.

(ii) Approved warehouses and delivery points for peanuts marketed through the cooperatives shall consist of warehouses for which a Peanut Receiving and Warehouse Contract, CCC Peanut Form 28, is in effect. The names and locations of such approved warehouses may be obtained from the cooperative for the area or from the State PMA committee.

§ 646.413 Method of determining quantity. (a) The gross weight of bulk peanuts placed under a farm storage loan may be determined either by weight or by measurement. When the quantity of bulk peanuts is determined by measurement, the gross weight will be determined on the basis of the number of cubic feet shown below for the type of peanuts indicated:

<u>Type</u>	<u>Weight per cu. ft.</u>
Spanish	22.9 lbs.
Runner	21.4 lbs.
Valencia	21.4 lbs.
Virginia	16.8 lbs.

(b) If the peanuts are stored on the farm in bags, the county committee shall weigh a sufficient number of bags to determine the approximate gross weight of all the peanuts to be placed under loan and for the purposes of the loan, shall deduct 5% from such approximate weight to cover any discrepancy between such weight and the actual weight of all such peanuts.

(c) The gross weight of peanuts placed under a warehouse storage loan or delivered under a farm storage loan or purchase agreement shall be determined by actual weight at the time of delivery.

(d) The gross weight of all peanuts marketed through the cooperative shall be determined by actual weight at the time of delivery.

§ 646.414 Applicable forms. The approved forms consist of the loan and purchase agreement forms and such other forms and documents as may be required, which, together with these provisions, govern the rights and responsibilities of the producer. Notes and chattel mortgages, note and loan agreements, and purchase agreements must be dated and delivered to the county committee on or before January 31, 1953. Notes and chattel mortgages and note and loan agreements must have State and documentary revenue stamps affixed thereto where required by law. Loan and purchase agreement documents executed by an administrator, executor, or trustee, will be acceptable only where legally valid.

(a) Farm storage loans. Approved forms shall consist of producer's notes on Commodity Loan Form A, secured by a chattel mortgage on Commodity Loan Form AA, and such other forms and documents as may be required by CCC.

(b) Warehouse storage loans. Approved forms shall consist of the note and loan agreement on Commodity Loan Form B, secured by warehouse receipts and such other forms and documents as may be required by CCC. Any peanuts pledged as security for a loan on a single note and loan agreement must be stored in the same warehouse.

(1) Warehouse receipts - Warehouse receipts, representing peanuts in approved warehouse storage to be placed under loan or delivered under a purchase agreement, must -

(i) Be issued in the name of the producer, must be properly endorsed so as to vest title in the holder, must be issued by a warehouse under contract with CCC pursuant to § 646.412, and must indicate that peanuts stored commingled are insured. The receipts must be negotiable and must cover eligible peanuts actually in store in the warehouses described in the receipts.

(ii) Show the type and grade of the peanuts at the time of receipt into the warehouse, as determined by the Federal-State Inspection Service, and the dollar value of such peanuts determined on the basis of § 646.428, Price support schedule. A warehouse receipt for commingled peanuts must also contain the warehousemen's guarantee to deliver a quantity of the same type of peanuts equal in dollar value to not less than the applicable percentage of the dollar value of the peanuts received and represented by the warehouse receipt. If the peanuts are stored identity preserved, the warehouse receipt shall sufficiently describe the peanuts so that they may be readily identified at all times, and the producer must execute the supplemental certificate prescribed in subsection (e) of this section.

(iii) State such other terms and conditions as are required under CCC Peanut Form 29, Peanut Storage Contract for warehouses, and may be subject to liens for warehouse charges approved in such contract and indicated on the warehouse receipt.

(c) Warehouse receipts-cooperative warehouses. Warehouse receipts, representing peanuts marketed through the cooperative and stored in approved warehouse storage, must -

(1) Be issued by a warehouse under contract with the cooperative pursuant to § 646.412, and must be non-negotiable. The receipts must cover eligible peanuts or high damage peanuts actually in store for the account of CCC in the warehouses described on the receipts.

(2) Show the type and grade of the peanuts at the time of receipt into the warehouse, as determined by the Federal-State Inspection Service, and the dollar value of such peanuts determined on the basis of the price support schedule.

(3) Contain the warehouseman's agreement to deliver peanuts pursuant to the terms of the contract and in accordance with instructions by CCC or its agent.

(4) State such other terms and conditions as are required under CCC Peanut Form 28, and may be subject to liens for warehouse charges approved in such contract.

(d) Purchase agreements. The purchase agreement forms shall consist of the Purchase Agreement, Commodity Purchase Form 1, and Purchase Agreement Settlement, Commodity Purchase Form 4, signed by the producer and approved by the county committee, the delivery instructions, Commodity Purchase Form 3, issued by the county committee, negotiable warehouse receipts from warehouses, and such other forms and documents as may be required by CCC.

(e) Producer's supplemental certificate. Each warehouse receipt representing peanuts under loan stored in an approved warehouse on an identity-preserved basis, must be accompanied by a supplemental certificate, executed by the producer, and properly identified with the warehouse receipt. Such certificate shall contain the producer's responsibility with respect to the peanuts in accordance with § 646.421.

§ 646.415 Liens. If there are any liens or encumbrances on the peanuts, acceptable waivers must be obtained.

§ 646.416 Fees and warehouse shrinkage deduction. (a) Producers shall pay the following initial service charges on the quantity placed under a farm storage or warehouse storage loan or the maximum quantity specified in the purchase agreement. An additional service charge shall be paid on any additional quantity delivered to and accepted by CCC under a farm or identity preserved warehouse storage loan to a producer. No refund of service charges will be made. State committees may, at their option, require a deposit on farm storage loans, such deposit to be applied against the service fee when loan is granted. The service charge on a purchase agreement shall be paid at the time the producer signs the agreement.

Farm storage loans	-- 30¢ per ton -- minimum charge of \$3.00
Warehouse storage loans	-- 15¢ per ton -- minimum charge of \$1.50
Purchase agreements	-- 15¢ per ton -- minimum charge of \$1.50

(b) The producer will pay the Federal-State Inspection fee applicable to the quantity of peanuts --

- (1) Placed under a farm storage or warehouse storage loan,
- (2) Delivered to CCC under a purchase agreement.
- (3) Marketed through the cooperative.

(c) Warehouse charges through May 31, 1953 for peanuts marketed through the cooperative or peanuts stored in a warehouse and placed under a loan or delivered under a purchase agreement will be deducted from the proceeds of the loan or from the payment made by the cooperative or CCC. CCC will pay receiving and handling charges due on peanuts delivered to it after May 31, 1953, and on peanuts delivered prior to May 31, 1953 with the approval of CCC.

(d) For peanuts marketed through the cooperative the producer will pay a handling fee in the amount of 15 cents per ton.

(e) The above charges will be computed on gross weights.

(f) Pursuant to § 646.421 the producer is responsible for loss in weight and grade of the peanuts while in storage. For peanuts stored on the farm, such loss will be reflected in the value of the peanuts at the time of settlement if the peanuts are delivered to CCC. If the peanuts are marketed through the cooperative or stored in a warehouse, a deduction in the amount of the tolerance allowed the warehouseman for loss in weight and grade, including a deduction for shrinkage in extra large kernels in Virginia type peanuts, will be made from the support price to the producer at the time the peanuts are marketed or at the time the loan is made.

§ 646.417 Set-offs. If a producer who obtains a farm or warehouse storage loan or delivers peanuts under a purchase agreement is indebted to CCC on any accrued obligation, or if any installments past due or maturing within 12 months are unpaid on any loan made available by CCC on farm storage facilities, whether held by CCC or a lending agency, he must designate CCC or such lending agency as the payee of the proceeds of the loan or purchase to the extent of such indebtedness or installments, but not to exceed that portion of the proceeds remaining after deduction of loan service charges and amounts due prior lienholders. However, prepayment of only one principal installment on a farm storage facility loan shall be deducted from the price support proceeds of any one crop year. If the producer is indebted to any other agency of the United States and such indebtedness is listed on the county debt register, he must designate such agency as the payee of the proceeds as provided above. Indebtedness owing to CCC or to a lending agency as provided above shall be given first consideration after claims of prior lienholders. Cooperatives shall deduct from their drafts to producers and remit to the proper agency of the United States the amount of indebtedness as shown on the marketing cards on which such peanuts are marketed through the cooperatives. Compliance with the provisions of this section shall not constitute a waiver of any right of the debtor to contest the justness of the indebtedness involved either by administrative appeal or by legal action.

§ 646.418 Interest rate. Farm and warehouse storage loans to producers shall bear interest at the rate of $3\frac{1}{2}$ percent per annum and interest shall accrue from the date of disbursement of the loan, notwithstanding the printed provisions of the note. CCC loans to cooperatives will bear interest at the rate of $3\frac{1}{2}$ percent per annum.

§ 646.419 Insurance. CCC will not require the producer to insure the peanuts placed under a farm storage or an identity-preserved warehouse storage loan. However, if the producer insures peanuts stored on a farm and an indemnity is paid thereon, such indemnity shall

inure to the benefit of CCC to the extent of its interest, after first satisfying the producer's equity in the peanuts involved in the loss. If insurance is obtained by the producer on peanuts stored in a warehouse on an identity-preserved basis, it must be assigned to the warehouseman with the consent of the insurance company, and the warehouseman must also certify that the insurance has been assigned to him.

CCC will not require peanuts stored in a cooperative warehouse to be insured against risks of fire and extended coverage except that insurance may be required if peanuts other than those delivered to the cooperative are stored in the same building. However, if the warehouseman insures such peanuts and an indemnity is paid thereon, such indemnity shall inure to the benefit of CCC to the extent of its interest. Peanuts stored commingled in a warehouse must be insured against risks of fire and extended coverage.

§ 646.420 Transfer of producer's interest. (a) Loans. The right of the producer to transfer either his right to redeem the peanuts under loan or his remaining interest may be restricted by CCC.

(b) Purchase agreements. The producer may not assign his interest in the purchase agreement.

(c) Peanuts marketed through the cooperative. Upon delivery of the peanuts to the cooperative, the producer authorizes the cooperative as his agent to pledge his peanuts to CCC as security for loans to the cooperative and to market his peanuts on his behalf. The producer shall be entitled to his pro rata share in any profits made by the cooperative from the sale of all peanuts of like quality; i.e., either peanuts containing 3 percent or less damaged kernels, or high damaged peanuts.

§ 646.421 Loss or damage to the peanuts under farm storage loan or identity preserved warehouse storage loans. The producer is responsible for any loss in grade and for any loss in weight except that, subject to the provisions of § 646.419 physical loss or damage occurring after disbursement of the loan funds without fault, negligence or conversion on the part of the producer or any other person having control of the storage structure, resulting solely from an external cause, will be assumed by CCC, provided the producer or warehouseman has given the county committee immediate notice of such loss or damage, and provided there has been no fraudulent representation made by the producer in the loan documents or in obtaining the loan. CCC shall assume losses for insect damage occurring after the producer has given the county committee notice in writing of the presence of worms or weevils and the county committee by inspection has verified the presence of worms or weevils.

No physical loss or damage occurring prior to disbursement of the loan funds to the producer will be assumed by CCC. Where disbursement of funds is made by sight draft or check, the date of the draft or check shall constitute the date of disbursement of the funds.

§ 646.422 Personal liability of the producer for the peanuts. The making of any fraudulent representation by the producer in obtaining price support or the conversion or unlawful disposition of any portion of the peanuts by him may render the producer subject to criminal prosecution

under the Federal Law and personally liable for the amount received by him (plus interest) and for any resulting expense incurred by any holder of the note.

§ 646.423 Safeguarding the peanuts. The producer obtaining a farm storage loan is obligated to maintain the storage structure in good repair and to keep the peanuts in good condition.

§ 646.424 Release of the peanuts under loan. A producer may at any time, obtain release of peanuts remaining under loan by paying to the holder of the note or the note and loan agreement, the principal amount thereof, plus charges and accrued interest. All charges in connection with the collection of the note shall be paid by the producer. Upon presentation of the paid note, the county committee shall arrange for the release of the chattel mortgage. Partial release of the peanuts prior to maturity may be arranged with the county committee by paying to the holder of the note the amount of the loan, plus charges and accrued interest, represented by the quantity of peanuts to be released. In the case of warehouse storage loans, such partial release must cover all of the peanuts under one warehouse receipt.

§ 646.425 Liquidation of loans and delivery under purchase agreements.

(a) Farm storage loans. (1) The producer is required to pay off his loan on or before maturity or to deliver the peanuts in accordance with instructions issued by the county committee. If the producer fails to deliver mortgaged peanuts in accordance with instructions of the county committee, he will be responsible for all costs of removal by the holder of the note. The producer may, however, pay off his loan and redeem his peanuts at any time prior to delivery of the peanuts to CCC or removal by CCC. If the peanuts are or are in danger of going out of condition, the producer shall notify the county committee which shall determine whether the peanuts must be delivered before the maturity date of the loan. In the event the farm is sold or there is a change of tenancy, the peanuts may be delivered before the maturity date of the loan, upon prior approval by the county committee, or may be delivered before the maturity date of the loan for other reasons upon prior approval of the President, CCC. Settlement will be made, subject to the provisions of the mortgage supplement, at the applicable support price based on the ~~type~~, weight, grade, and quality of the peanuts delivered. Delivery of peanuts in bulk will be accepted only from the structure(s) in which the peanuts under loan are stored. In the case of peanuts stored in bags, only the identical bags under loan may be delivered. Settlement will be made on the quantity and quality delivered by the producer and accepted by the county committee.

(2) If the settlement value of the peanuts delivered exceeds the amount due on the loan (excluding interest), such amount will be paid to the producer on the basis of the settlement documents. Deliveries of peanuts to CCC under farm storage loans will be handled by the PMA county committee which initially approved the loan. Any payment due the producer will be made by sight draft drawn on CCC by the PMA county office.

(3) If the settlement value of the peanuts is less than the amount due on the loan (excluding interest), the amount of the deficiency plus interest thereon, shall be paid to CCC or may be set off against any payment which would otherwise be due to the producer under any agricultural programs administered by the Secretary of Agriculture or any other payments which are due or may become due to the producer from CCC or any other agency of the United States.

(b) Warehouse storage loans. (1) In the case of all warehouse storage loans with respect to commingled peanuts, if the producer does not repay his loan by maturity, CCC shall have the right to sell or pool the peanuts in satisfaction of the loan in accordance with the provisions of the note and loan agreement and section 646.426. Any payment due a producer at the time of settlement on a warehouse storage loan will be made by the appropriate PMA commodity office.

(2) In the case of loans on peanuts stored in a warehouse on an identity-preserved basis, if the producer does not repay his loan by maturity, the county committee shall specify a period within which the producer shall redeem his peanuts. If the producer does not redeem his peanuts during such specified period, the quantity, type, and grade shall be determined by actual weight and by Federal-State inspection, and settlement with the producer for the quantity, type, and grade of peanuts delivered to CCC will be made on the basis of the note and loan agreement and the price support schedule; and any payment due the producer will be made by sight draft drawn on CCC by the PMA county office. Any payment due the producer because of an overplus realized from the sale or pooling of the peanuts will be made by the appropriate PMA commodity office. If the peanuts are purchased by CCC, the purchase price shall be the market value as of the day following maturity, as determined by CCC.

(c) Payments and collections; amounts not exceeding \$3.00. To avoid administrative costs of making small payments and handling small accounts, amounts due the producer of \$3.00 or less will be paid only upon his request and a deficiency of \$3.00 or less, including interest, may be disregarded by a producer unless demand for payment is made by CCC.

(d) Purchase agreements. (1) The producer who signs a purchase agreement, Commodity Purchase Form 1, will not be obligated to sell any quantity of peanuts to CCC. However, the quantity stated in the purchase agreement will be the maximum quantity he may sell to CCC. If the producer who signs a purchase agreement wishes to sell the peanuts to CCC, he will have a 30-day period ending on May 31, 1953 during which he must notify the county committee of his intention to sell.

(2) In the case of eligible peanuts stored commingled in an approved warehouse, the producer must, not later than the day following the final date of such 30-day period, or during such period of time thereafter as may be specified by the county committee, submit to the county committee, properly executed warehouse receipts for the quantity of peanuts he elects to sell to CCC. CCC will purchase only that quantity which the warehouseman guarantees to deliver on such warehouse receipts. In the case of eligible peanuts stored in other than approved warehouse storage, or stored identity preserved in approved warehouse storage the county committee will, on or after the final date of such 30-day period, issue delivery instructions to the producer. The producer must then complete delivery within a 15-day period immediately following the date the county committee issues delivery instructions unless the county committee determines that more time is needed for delivery.

(3) The producer may be required to retain peanuts in other than approved warehouse storage for a period of 60-days, such period beginning on the first day of the delivery period, without any cost to CCC.

(4) The peanuts delivered under a purchase agreement must meet the eligibility requirements in § 646.407 when delivered and will be purchased at the applicable support rate. When delivery is completed, payment will be made by sight draft drawn on CCC by the county office. The producer shall direct on Commodity Purchase Form 4 to whom payment of the proceeds shall be made. Peanuts stored commingled in approved warehouses will be purchased, on the basis of the amount guaranteed on the warehouse receipts and/or accompanying documents. Peanuts stored identity preserved in approved warehouse and peanuts delivered from other than approved warehouse storage will be purchased on the basis of the weight, grade, and other quality factors, determined by the county committee at the time of delivery and agreed to by the producer on Commodity Purchase Form 4.

§ 646.426 Removal of peanuts under loan. If the loan is not satisfied upon maturity by payment or delivery, the holder of the note may remove the peanuts and sell them either by separate contract or after pooling them with other lots of peanuts similarly held. If the peanuts are pooled, the producer has no right of redemption after the date the pool is established, but shall share ratably in any overplus remaining upon liquidation of the pool. CCC shall have the right to treat the pooled peanuts as a reserve supply to be marketed under such sales policies as CCC determines will promote orderly marketing, protect the interests of producers and consumers, and not unduly impair the market for the current crop of peanuts, even though part or all of such pooled peanuts are disposed of under such policies at prices less than the current domestic price. Any sum due the producer as a result of the sale of the peanuts or of insurance proceeds thereon, or any ratable

share resulting from the liquidation of a pool, shall be payable only to the producer without right of assignment by him.

§ 646.427 Purchase of notes. The county committee will purchase, from approved lending agencies, notes evidencing approved loans which are secured by chattel mortgages or acceptable negotiable warehouse receipts. The purchase price to be paid by CCC will be the principal sum remaining due on such notes, plus an amount computed according to the lending agency agreement to cover interest. Lending agencies are required to submit Commodity Credit Corporation Form 500 or such other form as CCC may prescribe for all payments received on producers' notes held by them, and are required to remit to CCC a part of the interest collected, computed according to the lending agency agreement. Lending agencies shall submit notes and report to the PMA county office serving the area.

§ 646.428 Price support schedule. The following support prices apply to net weight farmers stock peanuts eligible for price support. The prices are for peanuts in bulk in the Southeastern Area and in bags in the Southwestern and Virginia Carolina areas.

A. Base Grade Prices

The base grade support prices for the various types and grades of peanuts shall be as follows:

Virginia type, 65 percent sound mature kernels-	\$231.00 per ton
Runner type, 65 percent sound mature kernels-	\$215.00 per ton
Southeastern Spanish, 70 percent sound mature kernels	\$236.00 per ton
Southwestern Spanish, 70 percent sound mature kernels	\$232.00 per ton

B. Premiums and Discounts

- (1) Sound Mature Kernels. For each 1 percent sound mature kernel content above or below the base grade, the premium or discount, whichever is applicable, shall be as follows:

Virginia type	\$3.60 per ton
Runner type	\$3.30 per ton
Spanish type (Southeastern)	\$3.40 per ton
Spanish type (Southwestern)	\$3.30 per ton

The term "sound mature kernels" means kernels which are free from damage as defined in the U.S. Standards for farmers stock (i) white Spanish peanuts in the case of Spanish and Valencia peanuts and (ii) Runner and Virginia peanuts, respectively, in the case of Runner and Virginia peanuts; and which will not pass through a screen having (i) 14/64 x 3/4 inch perforations in the case of Spanish peanuts, (ii) 15/64 x 1 inch perforations in the case of Virginia peanuts, and (iii) 15/64 x 3/4 inch perforations in the case of Runner and Valencia peanuts.

- (2) Damaged kernels. The discount for damage in excess of 1 percent shall be as follows per ton by types:

Peanuts containing : damaged kernels of :	Spanish			
	Virginia	Runners	Southeast	Southwest
2 Percent	\$ 3.60	\$ 3.30	\$ 3.40	\$ 3.30
3 Percent	7.20	6.60	6.80	6.60
4 Percent	14.40	13.20	13.60	13.20
5 Percent	21.60	19.80	20.40	19.80
6 Percent	35.00	35.00	35.00	35.00
7 Percent	55.00	55.00	55.00	55.00
8 Percent and over	120.00	120.00	120.00	120.00

- (3) Foreign material. The discount for each full 1 percent foreign material in excess of 4 percent and not over 10 percent shall be \$1.00 per ton, and in excess of 10 percent and not over 15 percent shall be \$2.00 per ton.
- (4) Extra large kernels. For Virginia type peanuts the premium for each full 1 percent extra large kernels in excess of 15 percent shall be \$1.25 per ton. "Extra Large Kernels" means any shelled Virginia peanuts which are whole and which are free from noticeably discolored or damaged peanuts as defined in the U. S. Standards for Shelled Virginia peanuts (effective November 1, 1939) and which will not pass through a screen having $21\frac{5}{64}$ x 1 inch perforations.
- (5) Any lot or load of peanuts which would otherwise be considered Virginia type but which contains less than 20% "Fancy" size (peanuts riding a $3\frac{1}{4}$ / 64 x 3 inch slotted screen) will be considered Runner type peanuts.
- (6) The term "Southeastern Spanish" refers to Spanish type peanuts produced east of the Mississippi River, and the term "Southwestern Spanish" refers to Spanish type peanuts produced west of the Mississippi River.

C. Valencia Type Peanuts.

For Valencia type peanuts containing less than 25 percent discoloration and damage caused by cracked or broken shells, the support price shall be the same as the support price for Virginia type peanuts of the same grade, except that no premium is applicable for extra large Valencia kernels. For other Valencia type peanuts the support price will be the same as the support price for Spanish peanuts of the same grade and in the same area.

Issued this 20th day of June 1952.

Approved:

/s/ Harold K. Hill
Acting President, CCC

/s/ Elmer F. Kruse
Vice-President, CCC

(1) Damaged kernels. The discount for damage in excess of 1 percent shall be as follows per ton by weight:

Percentage of damaged kernels	Discount per ton
1 Percent and over	100.00
7 Percent	50.00
6 Percent	40.00
5 Percent	30.00
4 Percent	20.00
3 Percent	10.00
2 Percent	5.00
1 Percent	2.50
0.5 Percent	1.25
0.25 Percent	0.62
0.125 Percent	0.31

(2) Foreign material. The discount for each full 1 percent foreign material in excess of 1 percent and not over 10 percent shall be \$1.00 per ton, and in excess of 10 percent and not over 15 percent shall be \$2.00 per ton.

(3) Extra large kernels. For Virginia type peanuts the premium for each full 1 percent extra large kernels in excess of 15 percent shall be \$1.25 per ton. "Extra large kernels" means any shelled Virginia peanuts which are whole and which are free from noticeably discolored or damaged peanuts as defined in the U. S. Standards for Shelled Virginia peanuts (effective November 1, 1939) and which will not pass through a screen having 20/64 x 1 inch perforations.

(4) Any lot or load of peanuts which would otherwise be considered Virginia type but which contains less than 50% "run", also (peanuts fitting a 3/64 x 3 inch slotted screen) will be considered runner type peanuts.

(5) The term "Southeastern Spanish" refers to Spanish type peanuts produced east of the Mississippi River, and the term "Southwestern Spanish" refers to Spanish type peanuts produced west of the Mississippi River.

C. Valencia Type Peanuts.

For Valencia type peanuts containing less than 25 percent discoloration and damage caused by cracked or broken shells, the support price shall be the same as the support price for Virginia type peanuts of the same grade, except that no premium is applicable for extra large Valencia kernels. For other Valencia type peanuts the support price will be the same as the support price for Spanish peanuts of the same grade and in the same area.

Issued this _____ day of _____, 1939.
 Approved: _____
 Vice-President, U.S.P.

Approved: _____
 Secretary, U.S.P.